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Japan

Kaifu Says Gorbachev Appears To Be More Flexible

OW2603050691 Tokyo KYODO in English 0337 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Prime Minister Toshiki Kaifu said Tuesday Soviet President Mikhail Gorbachev appears to have adopted a more flexible position on the longstanding territorial dispute between the Soviet Union and Japan.

Commenting on Gorbachev's talks Monday with Liberal Democratic Party (LDP) Secretary General Ichiro Ozawa, Kaifu said the Kremlin leader, in saying he is prepared to discuss "all issues," appeared to use slightly different language from before.

"I interpret this as a positive sign. I hope that this will lead to the resolution of the territorial issue and the success of summit talks" when Gorbachev visits Japan in mid-April, Kaifu told reporters at the Diet.

Details of Ozawa's nearly two hours of discussions with Gorbachev have not been revealed, and it is not clear what change in language Kaifu was referring to.

Most of the talks between Ozawa and Gorbachev were devoted to how to resolve the 46-year-old dispute over ownership of four islands off Hokkaido seized by the Soviet Union at the close of World War II.

The issue is expected to be the focus of Gorbachev's visit to Japan, the first ever by a Kremlin leader, scheduled for April 16- 19.

Chief Cabinet Secretary Misoji Sakamoto at a news conference described Monday's talks in Moscow as "significant" and "friendlier than ever before."

Asked whether he believes the Soviet Union would recognize Japan's sovereignty over the islands during Gorbachev's April trip, Sakamoto said Gorbachev had not rejected Japan's position.

Told by Ozawa of the Japanese people's strong demand for the return of the four islands, Gorbachev "did not say 'no'," Sakamoto said.

"The president, too, agreed that we should not stress our differences, but resolve our problems by expanding ties in a harmonious way," Sakamoto said.

"I feel they want to improve Japan-Soviet relations through talks. I regard this as a significant first step," he said.

Sakamoto suggested Japan will be flexible in applying its previous position that Moscow would get no economic aid unless it acknowledges the islands belong to Japan and will be returned.

"Our premise is that the islands must be returned. But that isn't to say we will disregard other issues unless the sovereignty issue is resolved," he said.

The top cabinet spokesman said Japan's sovereignty over the islands could be recognized "while engaging in wide-ranging talks."

In the past week, Japan has toned down its insistence that the islands be returned prior to opening financial lines to Moscow.

Sakamoto declined to discuss what would happen if the Soviet Union does not acknowledge that the islands of Shikotan, Kunashiri, Etorofu, and the Habomai group are Japanese territory, saying it was a "hypothetical and meaningless question."

The dispute has prevented the two neighboring countries from signing a peace treaty.

Foreign Minister Taro Nakayama, commenting on the Gorbachev-Ozawa meeting at a press conference following the cabinet session, said, "I think the Soviet Government is showing extraordinary eagerness on the scheduled visit of the president to Japan."

He said, however, that many problems remain from the diplomatic point of view so he did not intend to comment on the results of the meeting.

Nakayama said he thought Ozawa "stated various opinions for a settlement of the territorial issue, but he is visiting (Moscow) as a representative of the (Liberal Democratic) Party. A foreign ministerial meeting (slated at the end of March in Tokyo) will thrash out the issue."

The foreign minister said the talks in Tokyo between Gorbachev and Kaifu following the foreign ministerial meeting are very important. "I expect the Ozawa-Gorbachev meeting will contribute greatly to the scheduled two meetings (in Tokyo)," he said.

The government-to-government negotiations will reach a peak with the arrival of Soviet Foreign Minister Aleksandr Bessmertnykh on Friday and Gorbachev visit in April, the foreign minister said.

Coverage of Ozawa's Moscow Visit

WA2603020191

For coverage of LDP General Secretary Ichiro Ozawa's visit to Moscow, including talks with USSR President Mikhail Gorbachev, see the 25 March Soviet Union DAILY REPORT and subsequent issues.

Kaifu Remarks on Islands Issue, USSR Aid

OW2603075691 Tokyo NHK General Television Network in Japanese 1000 GMT 25 Mar 91

[Text] Regarding Soviet President Gorbachev's visit to Japan, which will start 16 April, Prime Minister Kaifu indicated at an Upper House Budget Committee meeting held today that settling the northern territories issue will be a major precondition for full- scale economic cooperation to the Soviet Union.

[Begin recording] [Ryohei Adachi, identified by caption as member of Democratic Socialist Party] I read in the newspapers that Japan intends to give the Soviet Union financial aid worth 3 trillion yen provided that a return or Japan's sovereignty of the four islands in the northern territories is confirmed. I would like you, Mr. Prime Minister, to explain this issue again. Japan's economic aid can be viewed as buying back the islands with money.

[Kaifu] I will convey Japan's basic position on the northern territories and Japanese-Soviet peace treaty to President Gorbachev when he visits Japan, and will ask President Gorbachev to make a brave decision. This is the basis of my view. Without making an irresponsible separation of politics from economics, I would like to improve Japan-Soviet relations by resolving the territorial issue on the basis of the principle we have explained so far. This is the only desire I have. The Japanese Government's view has always been that the islands should be returned to Japan because they are Japan's inherent territories both historically and legally. Thus, settlement of this issue is a major precondition. An attempt to buy back the island with money, as you said, would be rude to the Soviet side also. Our government has no such plan at all. [end recording]

The prime minister also said that it is only right for Japan, as a neighboring nation, to provide cooperation in modernization of the Soviet Union should the northern territories issue be settled and a peace treaty be signed.

Regarding financial aid to the Soviet Union, a high ranking official of the Finance Ministry said that Japan should deal prudently with the issue after consulting the United States and other major industrial nations and after obtaining their understanding. The official said that an agreement was reached at last year's Houston summit to hold discussions on aid to the Soviet Union only after international organizations, including the International Monetary Fund, complete their investigations on the matter. He said that as long as this agreement exists, Japan, if it wants to provide aid to the Soviet Union, needs to explain this to each nation. Thus, he said Japan needs to deal prudently with the issue after obtaining the understanding of the United States, which chaired the summit, and other developed nations.

Government Considers Aid Program for Soviets

OW2603104291 Tokyo KYODO in English 1017 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—The government has begun drafting an economic aid program that would give the Soviet Union access to official yen loans in case a territorial dispute between the two nations is settled, government sources said Tuesday.

Such a program is necessary, the sources said, because Japan's current aid policy excludes Moscow from the list of nations eligible for yen credits in Official Development Assistance (ODA), a form of foreign aid.

The sources said yen credits would be the most efficient way of providing economic assistance to the Soviet Union if a breakthrough is achieved in the territorial stalemate—over four islands off Hokkaido—during Soviet President Mikhail Gorbachev's visit to Tokyo next month.

Like other industrial nations, Japan offers ODA only to developing nations designated by the organization for economic development and cooperation's panel on foreign aid. The Soviet Union does not fall in this category, as its per-capita gross national product is above the level set by the OECD panel.

Among options being discussed are treating the Soviets specially as an eligible recipient of ODA as is the case with East European countries, although there is opposition to doing so because the Soviet Union is the world's second largest military power, the sources said.

In December last year, the Paris-based Development Aid committee agreed to make East European nations eligible for ODA to support their market-oriented economic reforms even though their per-capita GNPs are above the level set by the committtee.

According to the sources, the settlement of the territorial dispute could give the greenlight to joint projects which would cost at least 10 billion dollars.

In addition, billions of dollars might be required in financing by the Export-Import Bank of Japan and other official lending, the sources said.

Finance Minister Ryutaro Hashimoto, meanwhile, said his ministry has yet to start considering a specific plan for financial assistance to the Soviet Union.

Speaking before the House of Councillors' Budget Committee, Hashimoto said such a specific plan will not be worked out before Tokyo and Moscow settle their territorial dispute.

Asked by an opposition lawmaker about reports suggesting that the scale of Japan's economic aid to the Soviets would be twenty-some billion dollars, Hashimoto said he has not been consulted on the amount itself.

Doi Cancels USSR Trip; Gorbachev Unavailable

OW2603124891 Tokyo KYODO in English 1229 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Japan's opposition Social Democratic Party (SDP) Chairwoman Takako Doi decided Tuesday to cancel a planned trip to Moscow as Soviet officials said President Mikhail Gorbachev would not be available for a meeting scheduled on April 2, party sources said.

The leader of the largest Japanese opposition party decided to call off the trip because it was extremely difficult to reschedule the visit due to a tight political schedule amid campaigning for the gubernatorial elections, the sources said. She was to arrive in Moscow on April 1.

An official from the Soviet Embassy in Tokyo visited Sukio Iwatare, an SDP executive, and conveyed the Kremlin's message that Gorbachev was unavailable for the meeting with Doi.

A senior party official in charge of policies, Shigeru Ito, said, "Soviets must have known the enthusiasm the chairwoman held for the visit, and they may have had some circumstances beyond that."

Doi was to follow ruling Liberal Democratic Party Secretary General Ichiro Ozawa on a trip to Moscow. Ozawa met with Gorbachev Monday.

SDPJ To Seek 'Another Chance'

OW2603132191 Tokyo NHK General Television Network in Japanese 1000 GMT 26 Mar 91

[Text] The Social Democratic Party of Japan [SDPJ] said that its chairwoman, Takako Doi, has decided to cancel her visit to Moscow on 1 April.

Doi was scheduled to visit Moscow on 1 April to meet Soviet President Gorbachev the next day. However, the Soviet side today conveyed to the SDPJ that President Gorbachev cannot meet Doi on 2 April as scheduled.

Discussing how to cope with the situation, SDPJ leaders concluded that Doi should cancel the Moscow visit because she can only meet Gorbachev on 2 April because the polling date for nationwide local elections is so near at hand.

Shigeru Ito, chairman of the SDPJ policy board, and other party officials said in today's news conference that the party will seek another chance for Doi's Moscow visit after Gorbachev's Japan visit beginning on 16 April.

Watanabe Urges USSR To 'Correct' View of War

OW2503141391 Tokyo KYODO in English 1311 GMT 25 Mar 91

[Text] Tokyo, March 25 KYODO—The Soviet Union should correct its view of war history before Japan-Soviet relations can be repaired, Liberal Democratic Party (LDP) leader Michio Watanabe said Monday.

Watanabe, leader of the fourth largest of LDP's five factions and a former finance minister, backed the party's latest position that the Soviet Union should recognize Japan's sovereignty over four disputed islands north of Hokkaido if it hopes for Japan to offer economic assistance.

Japan has demanded in the past that all islands, seized by the Soviet Union at the end of World War II, be returned before progress could be made on a peace treaty.

He also suggested that Soviet President Mikhail Gorbachev deliver an apology during his planned April 16-19 visit here for holding some 600,000 Japanese prisoners of war in Siberia after World War II.

Calling the detention a result of Joseph V. Stalin's errant leadership, Watanabe said a "correct view of history" is needed before Japan-Soviet relations can be improved, and Tokyo can provide economic assistance to the Soviet Union.

The Japanese Government maintains that Soviet Union violated a nonaggression pact with Japan when it captured some 600,000 Japanese prisoners. The soldiers were taken from former Manchuria, now northeast China, and about 10 percent of them later died in detention.

Meanwhile, Watanabe said that Singapore believes that it will take 20 more years for mistrust of Japan and its World War II aggression to subside in Asia, before Japanese troops will be welcomed in the region as an independent peacekeeping force.

Japan's peacekeeping role in Asia should be limited to joint efforts conducted with the United Nations or the United States, Watanabe said he was told by Singaporean Prime Minister Goh Chok Tong and other leaders of the Association of Southeast Asian nations (ASEAN) during a swing through Asia earlier this month.

"ASEAN wants us to offer economic assistance, but they are opposed to Japan's independent military participation in Cambodia," if peacekeeping forces are formed, Watanabe told a forum attended by business leaders and academics.

"Singapore's prime minister said it will take about 20 years before everyone will be able to accept Japan sending its military overseas unaccompanied to support peace and stability in Asia," Watanabe said.

Japan is currently preparing legislation that would allow it to join in U.N. peacekeeping operations. It is not yet clear whether the bill, being prepared by the LDP and two centrist parties, the Komeito and the Democratic Socialist Party, will allow some members of Japan's Self-Defense Forces to be sent abroad.

Joint USSR Venture To Export Scrap Iron

OW2503141491 Tokyo KYODO in English 1238 GMT 25 Mar 91

[Text] Tokyo, March 25 KYODO—Mitsubishi Corp. and five other Japanese firms said Monday the Soviet Union will begin exporting scrap iron from ships taken out of commission.

They will set up a Japan-Soviet joint venture in Khabarovsk in the Soviet Far East to export the scrap to Japan, officials said.

Japan will export technologies for dismantling the ships, some of which have been abandoned at harbors and have become an environmental hazard.

Seven public metal recycling corporations, including those in Khabarovsk and Sakhalin, will take part in the project, the officials said.

Processing capacity at the Soviet plants will be beefed up for the task.

The venture, Mirmetal, is capitalized at 7.76 million rubles or about 620 million yen and will be established after the Soviet Foreign Ministry gives its official approval.

The Soviet side will have a 65 percent stake in the venture, with the remaining 35 percent owned by the Japanese.

Seven of Mirmetal's board of directors, including its chief executive, will be from the Soviet Union, with four from Japan.

During the first few years, the venture will turn out approximately 250,000 tons of scrap iron a year, 60,000 of which will be shipped to Japan.

Those involved in the venture hope to boost the yearly shipment to Japan to some 300,000 tons in the next four to five years.

Further on Foreign Minister's U.S. Visit

Nakayama Remarks on UN Role

OW2403035691 Tokyo KYODO in English 0322 GMT 24 Mar 91

[By Shiro Yoneyama]

[Text] New York, March 23 KYODO—Japanese Foreign Minister Taro Nakayama pledged Saturday that Japan is ready to assist the United Nations in preventing regional strife in the wake of the Persian Gulf war, Japanese officials said.

Nakayama, in a New York meeting with U.N. Secretary General Javier Perez de Cuellar, specifically said that Japan would assist the U.N. in the collection of data, the dispatch of missions, and the issuance of early warning statements on impending crises.

Nakayama told Perez de Cuellar that as part of peacekeeping operations in the Gulf, the Japanese Government is prepared to extend financial support to the United Nations and to help in dispatching political officers to the region.

Japanese officials said it is not clear at this stage whether the U.N. Security Council will embrace the idea of a peacekeeping operation in the Gulf.

The Japanese proposal for a peacekeeping role came after the United States, the leader of the allied military campaign against Iraq, unsuccessfully pressed Japan to make a physical commitment to the Gulf allies.

Japan pledged 11 billion dollars in financial assistance to the allied war efforts, 2 billion dollars in economic assistance to Jordan, Turkey, and Eygpt which were hard hit economically by the Gulf crisis. But Japan did not send troops to the region because of constitutional restraints.

Nakayama was also quoted as saying that Japan is considering emergency aid to Palestinians as well as to Kuwait and Iraq.

The U.N. chief told the Japanese Foreign Minister that it would be some time before the U.N. Security Council adopts a resolution formalizing a Gulf ceasefire.

Perez de Cuellar also related to Nakayama his view that a combination of U.N. observers and peacekeeping forces would patrol the Kuwait-Iraq border, the Japanese officials said.

"The time is ripe to help settle the Persian Gulf war and the Arab-Israeli conflict," the officials quoted Perez de Cuellar as telling Nakayama.

Nakayama told Perez de Cuellar that Japan will host a United Nations disarmament conference in Kyoto in May.

The Japanese Foreign Minister underscored the importance of global curbs on nuclear, chemical, and biological weapons, limits on the spread of missiles able to deliver such weapons, and the curtailment of conventional weapons around the world, the officials said.

A senior U.N. official said the 160-nation world body hopes a chemical weapons ban can be concluded by early next year.

After meeting with the U.N. chief, Nakayama told reporters that Japan is prepared to assist in Kuwait's reconstruction by using its advanced environmental technologies.

Returns Home

OW2503142491 Tokyo NHK General Television Network in Japanese 0300 GMT 25 Mar 91

[Text] Speaking at the House of Councillors' Budget Committee session today, Foreign Minister Nakayama said that since the additional $9 billion contribution to the multinational forces was appropriated in the budget in yen currency, if the yen depreciates, the shortfall cannot be made up.

Mr. Nakayama returned home from a visit to the United States last night.

[Begin recording] [Dietman Awamori] The foreign minister, in a news conference at the National Press Club, is reported to have said, when asked about the problem of devaluation of the $9 billion fund set aside, that if the United States has complaints there will be discussions between Japan and the United States in order to reach a solution.

[Nakayama] It is true that there was a question at the joint press conference at the National Press Club. The question was about the shortfall arising from the devaluation. I never said that we will pay for a shortfall arising from it. If there is misunderstanding, since Japan-U.S. relations are important, we should have dialogue in order to understand each other better. That is what I said as foreign minister. [end recording]

Thus saying, Foreign Minister Nakayama made it clear that the government has no intention of making up the shortfall arising from devaluation even if it has to have further talks with the U.S. Government regarding the matter.

Asked further by Mr. Awamori about the U.S. attitude toward Japan since the end of the Gulf war, Foreign Minister Nayakayama said he felt that there was discontent about Japan's action in the war among Americans as they think that even though Japan contributed money, it gave no tangible help.

He added that in the United States, there is now more concern with economic issues rather than Gulf war issues. He indicated that the United States' dissatisfaction with Japan could increase over issues surrounding the Uruguay Round talks and Japan-U.S. trade.

Ministries To Coordinate Views for Bush Meeting

OW2603064191 Tokyo KYODO in English 0609 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Principal cabinet ministers agreed Tuesday to provide Prime Minister Toshiki Kaifu with fresh policy options to help defuse mounting trade tensions with the United States in time for his meeting with President George Bush next week in California.

Finance Minister Ryutaro Hashimoto, reacting to growing criticism of Japan from agriculture and manufacturing sectors in the United States, asked each ministry to coordinate their views on trade issues likely to be discussed when the two leaders meet in Los Angeles on April 4.

"I want you to prepare new schemes and have them ready to stick in the prime minister's pocket before his departure for the U.S.," Hashimoto told a regularly scheduled cabinet meeting.

The agenda for the meeting, the first between the leaders in six months, is still being worked out, but the White House has said trade and ecomomic issues will be included.

The summit comes as U.S. industry and trade groups are voicing strong dissatisfaction with Japan.

On Monday newly appointed Agriculture Secretary Edward Madigan said he expected a prompt response to his complaint to Japanese counterpart Motoji Kondo over a threat to arrest American exhibitors displaying rice at a food show earlier this month.

Japan has tried to play down the fray over the aborted display of U.S. rice, which the government says violated laws that support a virtual ban on rice imports.

A top government official, speaking on condition of anonymity, told reporters Monday that Japan plans to honor a Diet (parliament) resolution on self-sufficiency.

"If the U.S. demands we open our market, we will have to refuse," said the official, noting that Japan will continue to address the issue at the Uruguay Round of multilateral talks.

Meanwhile, the National Association of Manufacturers of the U.S. have asked Bush to set up a special presidential task force on economic policy, "with a special reference to Japan," which it says displays corporate behavior "resistant to certain values" assumed in other industrial nations.

The U.S. auto giant Chrysler is also lobbying the White House to further reduce Japanese car exports to the U.S. by 500,000 units from the 1990 total of over 2 million vehicles.

Minister Defends Ban on Display of U.S. Rice

OW2503132191 Tokyo NHK General Television Network in Japanese 1000 GMT 23 Mar 91

[Text] Motoji Kondo, Agriculture, Forestry and Fisheries minister, said it was reasonable, under the Staple Food Control Act, that the government strongly demanded the U.S. side withdraw U.S. rice from a food fair at Makuhari in Chiba Prefecture.

Mr. Kondo referred to the issue today when he delivered a speech at the closing ceremony for an education seminar held by the Sado Forestry Office in Niigata Prefecture.

In his speech, Mr. Kondo said that Japan is being criticized abroad despite the fact that Japan contributed $9 billion in assistance to the multinational efforts in the Gulf war. He also said: Reportedly, President Bush expressed regret to Foreign Minister Nakayama over Japan's ban on the exhibition of U.S. rice at the fair in Makuhari. The President personally referred to such a small issue. However, it is reasonable that Japan strongly demanded, from the viewpoint of observing the Staple Food Control Act, that the United States withdraw its rice from the fair.

Minister, Kaifu Meet

OW2603073991 Tokyo NHK General Television Network in Japanese 1000 GMT 25 Mar 91

[Text] Prime Minister Kaifu met with Agriculture, Forestry, and Fisheries Minister Kondo and Foreign Minister Nakayama today to discuss the issue involving the removal of U.S. grown rice from an international food exhibition held in Makuhari in Chiba City. At the meeting, they shared the view that the United States does not sufficiently understand the Japanese Government's position that any display of foreign-grown rice for commercial purpose in Japan violates the Food Management Law and agreed to seek U.S. understanding of this government position.

Officials To Visit U.S. About Rice Incident

OW2603041491 Tokyo KYODO in English 0403 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Japan will send officials to the United States to explain the removal of a U.S. rice display from a food exhibition held near here in mid-March, Agriculture, Forestry, and Fisheries Minister Motoji Kondo said Tuesday.

Kondo said there should not be bad feelings between the two countries arising from a "misunderstanding."

He said he is planning to send Hisao Azuma, chief of the ministry's International Affairs Department, and Masayuki Takahashi, chief of the Management Department of the Ministry's Food Agency, to meet U.S. farm officials including Agriculture Secretary Edward Madigan.

The Food Agency demanded the removal of U.S. rice on display at an international food fair in Makuhari two weeks ago, saying the display was for commercial purposes and violated the staple food control law.

The U.S. Rice Millers Association said the display was strictly informational and at first refused to remove it, but did so on the last day of the fair March 16.

David Graves, president of the association, reportedly said the American displayers had been "threatened with arrest."

The alleged arrest threat has received wide publicity in the United States.

According to Japanese farm officials, Australia and Thailand refrained from displaying their rice at the exhibition at the request of the agency.

Madigan sent a letter addressed to Kondo dated last Thursday, saying, "American rice farmers were dealt a serious affront this past week when your government threatened arrest for the educational display of their product," ending with a request of a "prompt response."

Food Agency officials were optimistic that a thorough explanation would dissolve the misunderstanding.

A senior ministry official said, however, that "negative emotional feeling" cannot completely be eliminated. He expressed concern over the possibility of the incident bringing increased pressure from the U.S. to open Japan's rice market.

LDP Official Remarks on Rice Import Policy

OW2603064291 Tokyo KYODO in English 0551 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—A senior official of the ruling Liberal Democratic Party (LDP) said Tuesday that Japan's policy of banning rice imports will remain unchanged despite mounting criticism in the United States, according to party sources.

Mutsuki Kato, chairman of the party's Policy Research Council, made the remark at a meeting of the council Tuesday, the sources said.

"The issue will not develop into a bilateral dispute between Japan and the United States. Japan's position will remain unchanged," Kato was quoted as saying.

Japan's refusal to allow American rice growers to display samples at a recent food and beverage show in Makuhari, Chiba Prefecture, drew strong criticism from the U.S. Government and politicians.

The sources said those attending the council gathering agreed to meet again to continue discussions on the rice issue.

No date was set for the council's next session.

Ministry Compiles Rice Demand-Supply Outlook

OW2603081891 Tokyo KYODO in English 0807 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO— The Ministry of Agriculture, Forestry, and Fisheries has worked out a basic program for rice management, including the demand-supply outlook for rice harvested in 1990, ministry officials said Tuesday.

The program, shown the same day to a meeting of the ministry's advisory panel, the rice price council, set aside a record of some 4.2 million tons of rice for free sale by growers, accounting for 72 percent of the total output for the 1990 rice year (November 1990- October 1991), the officials said.

They said the amount of newly harvested rice to be purchased by the government will total an estimated 1.7 million tons.

The government plans to purchase several tens of thousands of tons on the free market to secure the optimum level of rice held in stock, the officials said.

The government purchases rice from farmers at prices higher than it sells to consumers under the staple food control law.

According to the ministry's outlook, the amount of rice available for supply to consumers will total 11.1 million tons, against demand estimated at 9.95-10.05 million tons, the officials said.

The ministry estimated the total rice available for consumers at the end of October stood at 1.05-1.15 million tons, which is around the optimum level of 1 million tons, they said.

The officials said the ministry was concerned about the declining volume of rice held in stock by the government because of an increase in rice sold on the free market.

They said the ministry estimated the 1991 rice output, to be harvested this autumn, at 9.85 million tons, of which about 2.1 million tons will be bought by the government.

Government To Review Set Dairy Prices

OW2603120191 Tokyo KYODO in English 1128 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Agriculture, Forestry, and Fisheries Minister Motoji Kondo on Wednesday will ask an advisory body to determine whether the government's set price for butter and processed dairy products should be reduced in fiscal 1991, sources said Tuesday.

The ministry's livestock industry promotion council will study the government's guaranteed price which will become the producers' net price in the new fiscal year starting on April 1.

The study will be conducted in line with the ongoing Japan-U.S. dairy products talks on lowering production costs and liberalizing imports.

Domestic dairy farmers, however, want to keep prices at present levels due to the sagging market value of male calves and higher feed costs.

Talks among the government, dairy farmers, and parliamentarians from the ruling Liberal Democratic Party (LDP) linked to the dairy sector are expected to continue until late Tuesday.

Participants will likely settle for a price cut of about 1 percent, the sources said, in order to influence the advisory board's decision.

The government-guaranteed price is paid by dairy industry manufacturers for processed milk or the standard trading price plus the subsidies forked out by the government.

Tokyo Unwilling To Lower Car Exports to U.S.

OW2603060391 Tokyo KYODO in English 0534 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Japanese Government officials Tuesday indicated Tokyo's unwillingness to give in to mounting pressure from U.S. automakers to further cut the limit on Japan's car exports to the United States.

This is despite increasing worries among Japanese automakers that the issue is developing into another bilateral trade row.

Eiichi Nakao, minister of international trade and industry, indicated at a press conference on Tuesday morning that the government will not further lower the ceiling on Japan's car exports to the U.S.

"I haven't heard anything about it yet. But if the problem is raised at the Japan-U.S. summit meeting (on April 4), we will have something to say to make our stance clear," he said.

Worried that Japan's continued strong auto exports might arouse renewed anti-Japanese sentiment in the U.S., the government decided in mid-January that it will continue for another year its voluntary restrictions on car exports to the U.S., which limit such shipments to a maximum of 2.3 million vehicles. Actual exports in Japan's fiscal 1990, which ends March 31, are estimated at 1.88 million.

But the "Big Three" U.S. automakers—General Motors, Ford, and Chrysler—maintaining that the growing popularity of Japanese- made automobiles is threatening their existence, have asked U.S. President George Bush to sharply cut Japan's auto exports to 1.8 million cars annually.

The chairman of Chrysler Corp., Lee Iacocca, reportedly asked Bush in a letter to limit Japanese automakers' share of the U.S. market to the current 31 percent, adding that it could easily rise to 40 percent.

MITI [Ministry of International Trade and Industry] appeared unmoved by the request by the three American companies, however.

A ministry official said: "The government has been and will be seeking self-restraint in exports and overseas production."

Ministry sources said there is little prospect of the U.S. Government raising the issue at the summit, since the voluntary lid on exports is viewed as a "gray zone" measure under rules of the General Agreement on Tariffs and Trade (GATT).

Meanwhile, Japan's auto industry is wary that it will become the next target for Washington to attack, following U.S. demands for Japan to lift its ban on rice imports.

An official at a major automaker said, "We fear that the problem will ignite trade friction between the two nations, like that of rice."

An official at another auto company said, "Now that the Persian Gulf war has ended, it is certain that Washington will shift its attention to trade problems."

One automobile industry official said, "we have to cope with the situation patiently and sell our cars in an orderly manner."

Car sales on the U.S. market decreased to 9.29 million units in 1990 from 9.77 million units in 1989 due mainly to an economic recession in the United States.

The market share of Japanese cars, however, is expected to rise further in 1991 after gaining to 27.8 percent in 1990 from 25.3 percent in 1989.

"We have done nothing wrong," another industry official said, noting that Japanese car exports to the United States in 1990 are expected to be about 1.88 million units short of the annual ceiling of 2.3 million units when the final tally is in.

"We are worried that pressure on the Japanese automobile industry will rise in reaction to the sluggish demand on the U.S. market," Yutaka Kume, President of Japan's No. 2 automaker Nissan Motor Co. Said.

Senior officials of Mazda Motor Corp. said they were concerned that the automobile issue will be linked to the U.S. demand for the opening of Japan's rice market.

MITI Official: Bush To Support Free Car Trade

OW2603114691 Tokyo KYODO in English 1138 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO— U.S. President George Bush is a supporter of free trade and will not accept arguments for a decrease in imports of Japanese autos, a top-ranking Ministry of International Trade and Industry (MITI) official said Tuesday.

The MITI official, commenting on the Bush meeting with Prime Minister Toshiki Kaifu in April, said, "considering the President's free trade stance, it is unlikely he will bring up the issue at the Japan-U.S. Summit meeting."

Japan voluntarily restrains car exports to the United States, and has decided to maintain exports at the current level of 2.3 million units annually.

The official, who spoke on condition of anonymity, pointed to the fact that U.S. Trade Representative Carla Hills said that Japanese cars made in the United States should be counted as U.S. cars in discussions with the European Community (EC) on U.S. car exports to the EC.

It is difficult to imagine that Hills adopts a different standard on the issue in talks with Japan, he said.

The official also cited the latest statistics that show U.S. auto sales by the middle of March reached 99 percent of the year- earlier level.

"The data indicates the auto sales in the U.S. are recovering," he said.

Current Account Imbalance Report Summarized

912A0164 Tokyo ECONOMY, SOCIETY, POLICY in Japanese Feb 91 pp 57-59

[Article by Takaaki Hattori of the First International Economic Affairs Division, Coordination Bureau, Economic Planning Agency: "Aiming for a Better Japanese-U.S. Relationship of Interdependence"]

[Text] **1. Purpose of the Panel**

There is a significant feature marking the trend of recent years in our country's balance-of-payments position. To wit, while our overall current account surplus is diminishing markedly, our surplus vis-a-vis the United States continues to remain substantial in magnitude. The overall current account surplus declined sharply from its 1987 peak of $87 billion (3.6 percent of nominal GNP) to $57.2 billion (2 percent of nominal GNP) in 1989. In contrast, our current account suprlus with the United States, despite its decline from $56.7 billion in 1987 to $47.5 billion in 1989, is slow to shrink and still remains significant in size.

It was in consideration of the situation noted above that a "panel to review the current status of and the outlook for the Japanese-U.S. current account balance picture" was set up as a consultative body for the director general of the Economic Planning Agency. The panel, made up of learned individuals representing broad segments of the private sector, was asked to deliberate mainly the following questions: 1) Why has it been more difficult to reduce Japan's surplus with the United States than to reduce its total surplus?; 2) What will happen, as time goes on, to the imbalance problem between Japan and the United States?; and 3) How should Japan deal with this still significant imbalance vis-a-vis the United States?

Composition of the Panel

Name	Current Position
Akihiro Amano	Kobe University professor
Koichiro Ejiri	chairman of Mitsui & Co., Ltd.
(Hirohito) Oyama	NHK commentator
Motoo Kaji*	vice president of the University of the Air
Yutaka Kume	president of Nissan Motor Co., Ltd.
Yo Kurosawa	president of the Industrial Bank of Japan
Yutaka Kosai	managing director of Japan Economic Research Center
Akira Kojima	editorialist for NIHON KEIZAI SHIMBUN
Yotaro Kobayaski	president of Fuji XEROX Co., Ltd.
Takeo Shiina	president of IBM Japan, Ltd.
Haruo Shimada	Keio University professor
Hiroshi Takeuchi	managing director of the General Research Institute of the Long-Term Credit Bank of Japan
Akio Tanii	president of Matsushita Electric Industrial Co., Ltd.
Seiji Tsutsumi	representative of the Seibu Saison Group
Isao Nakauchi	chairman & president of The Daiei, Inc.
Iwao Nakatani	Osaka University professor
Minoru Masuda	managing director of the Japan External Trade Organization [JETRO]
Nobuo Matsunaga	managing director of Japan International Issues Research Institute
Yohei Mimura	chairman of Mitsubishi Corp.
Akio Morita	chairman of Sony Corp.
Mitsuhide Yamaguchi	governor of the Export-Import Bank of Japan

(Note: "*" indicates the panel leader; names are listed without honorific in the Japanese alphabetical order)

3. Procedure Used by the Panel

The first roundtable, held on 12 September 1990, took up the procedural question governing the panel's work; also at this session, the panel members were briefed (by the "secretariat" [not identified further] staff) on the current status of and the outlook for the Japanese-U.S. imbalance of payments.

The second roundtable, held on 11 October, was devoted to hearing the views of the economic sector.

The third roundtable, held on 8 November, dealt with the question of how the panel should consolidate the results of its deliberations.

The fourth roundtable, held on 6 December, took up the panel's report (draft).

In addition to the formal sessions noted above, several members of the panel, acting in the manner of a subcommittee, met (on 19 October) and discussed on behalf of the panel the question of "how to put together" the results of the panel's work.

4. Key Points of the Panel's Report

A. Why is it important to discuss the Japanese-U.S. balance-of-payments question?

When discussing a nation's balance-of-payments position, the standard approach is to examine it in the global context. But considering the extreme importance of maintaining good economic relations and ensuring the continuance of the free trade system between Japan and the United States, the top two economic powers of the world, it is especially important today to examine the Japanese-U.S. balance-of-payments picture.

B. What will happen to the Japanese-U.S. imbalance in payments?

The prospect is that the imbalance between the two countries will shrink steadily in the days ahead. Reasons:

(1) Japanese exports to the United States will decline as the production activity in the United States by Japanese manufacturers becomes more earnest in scope.

(2) Macroeconomic circumstantial factors, such as a steady domestic demand-oriented growth in Japan and U.S. efforts to reduce its budget deficit, will have the effect of reducing the imbalance.

(3) Structural reforms of long-term nature can be expected to occur as both countries make progress in making structural adjustments within the framework of their bilateral agreement worked out through the Structural Impediments Initiative [SII] talks.

But a significant reduction of the imbalance within a short timeframe cannot be expected. Reasons:

(1) The trade structure between Japan and the United States is making it difficult to reduce the imbalance (e.g., the U.S. trade structure that is dependent on Japanese imports).

(2) Japan receives large amounts of earnings produced by direct investments in the United States.

(3) There is a big gap between the levels of Japanese exports to and imports from the United States (in 1989, for example, Japanese exports to the United States were 2.1 times greater than its imports from that country).

C. How does the panel evaluate the steps taken thus far by Japan to deal with the imbalance question?

Japan's efforts to date to narrow its external imbalances, in both macro and structural terms, have been producing steady results.

Looking ahead, of paramount importance is for Japan to continue to pursue even more aggressively a comprehensive economic policy along the same line it has followed thus far. Specifically:

(1) To maintain steady economic growth with the primary emphasis on domestic demand.

(2) To further improve foreign access to Japanese markets and to step up the effort to expand imports.

(3) To promote structural reforms through, among other things, steady and honest implementation of the measures enumerated in the report covering the results of the Japanese-U.S. Structural Impediments Initiative talks.

(4) To make active contributions to the Uruguay Round of trade talks and other international frameworks designed to preserve and maintain free trade.

D. What additional steps should be taken to deal with the situation?

In addition, it is extremely important to look at the situation from a broader perspective, not confined to the question of redressing the imbalances, and to work toward framing a balanced, mutually beneficial economic relationship between the two countries through open economic interchanges. Toward this end, it is necessary to further strengthen the efforts based on fresh ideas. Specifically:

(1) To evolve from the removal of barriers to the harmonization of systems: in this connection, an effort should be made to review all aspects of the economic and social systems and practices with a view toward making them more internationally congruous.

(2) To evolve from the market opening to the promotion of active participation in the markets: Japan should not only open up its markets but also improve its market environment so as to facilitate the participation therein by foreign companies and products.

(3) To evolve from the trade-centered economic exchange to a more diversified economic exchange including an emphasis on investment: Japan should seek to promote economic exchange with the United States through not just trade but investment as well, especially U.S. investment in Japan.

Also indispensable are further efforts by the U.S. side. Specifically:

(1) To take appropriate macroeconomic management measures including a drastic reduction of its budget deficit.

(2) To make steady and honest structural efforts (research and development, workers' education and training, etc.) mainly along the steps discussed during the Japanese-U.S. Structural Impediments Initiative talks.

(3) To further improve U.S. companies' "mindset" to export their products to Japan.

E. What kind of specific measures does the panel think can be generated based on fresh concepts?

Members of the panel came up with the specific recommendations as listed below that are full of suggestions. As to how these and other suggestions might be translated into concrete measures is a question still to be debated in various quarters.

(1) To weigh a "grand design" for Japan's external relations by taking into consideration the changing tides of the world: in the midst of fast and furious changes in political and economic currents sweeping the world—changes such as the reforms in the Soviet Union and Central and Eastern Europe, the integration of the EC nations, and the evolution of the Asian-Pacific region, Japan needs to examine its grand design for external relations.

(2) To make Japanese society more conducive a place for foreigners to live and work: given the prospect of an ever-increasing presence in Japan of foreigners involved in trade and investment work, it is essential to make Japanese society an easier place for such foreigners to live and work.

(3) To relax regulations and ensure "transparency" in procedural formalities: at the government level, more far-reaching efforts are called for, such as seeing to it that economic regulations are as a rule enacted with a limited timeframe for their enforcement; also, at the level of individual companies, all "opaque" aspects, if any, in business practices and relationships with shareholders should necessarily be reviewed.

(4) To promote direct investment in Japan by foreigners: in order to facilitate the flow of foreign investments into Japan, it is important to take such measures that are designed to provide more encouragement to foreign investors in areas of policy, to help foreign investors find appropriate partners in Japan, and to make it easier for foreign capital-affiliated companies to hire employees and to find office spaces in Japan.

(5) To make full use of the functions of the distributive industries: in the interest of helping newly emerging foreign companies and products, which are in keeping with changing lifestyles, gain access to especially promising markets in Japan, it is to be hoped that full use be made of the functions of both domestic and foreign distributive industries.

(6) To build diverse economic relations: it is necessary for Japan to foster more diverse and closer economic relations with all regions by continuing to promote trade and investment with regions other than the United States in the future.

(7) To handle Japanese direct investment overseas with care: Japanese direct investments in foreign countries are already contributing to the economic vitalization of host countries but still more needs to be done with respect to strengthening technological and research exchanges and assimilating into host societies; for example, it is important to establish guidelines for the conduct of Japanese businesses overseas and to promote monetary contributions and other philanthropic activities by them.

(8) To conduct research and analysis to understand the cause of Japanese-U.S. imbalance: in order to prove plainly that the imbalance is in some measure an inevitable consequence of the peculiar trade and economic relations the two countries have, and to help ourselves think more deeply about the two countries' relationship as it ought to be, it is necessary for us to fully come to grips with the cause of Japanese-U.S. trade imbalance by finding out, for example, who are the consumers of Japan's capital-goods exports.

Kaifu Vows To Build Up Self-Defense Capabilities

OW2403042891 Tokyo KYODO in English 0415 GMT 24 Mar 91

[Text] Tokyo, March 24 KYODO—Prime Minister Toshiki Kaifu on Sunday called for continued efforts to build up Japan's Self- Defense capabilities and to maintain security arrangements with the United States.

Kaifu, addressing 500 graduates at the National Defense Academy's graduation ceremony, said their efforts would strengthen Japan's safety and promote peace and stability in the world.

Defense Agency Chief Yukihiko Ikeda also said Japan needs to keep "efficient and appropriate" defense capabilities. He noted that the Soviet Union still maintains formidable nuclear and conventional military forces in Asia and the Pacific region.

The Prime Minister said Japan has thrown its maximum support behind international efforts to bring peace to the Persian Gulf and is ready to help postwar reconstruction efforts in the region.

Kaifu urged the graduates to make every effort to defend Japan's independence and peace, and said the Self-Defense Forces will gain more backing from the Japanese people.

Instability persists in many regions, Kaifu said, noting the volatile Middle East and uncertainties in the Soviet Union.

As a result, Japan must closely watch developments in the post- cold war era, as the Soviet Union and the United States shift from superpower confrontation to harmony, he said.

Under the war-renouncing constitution, Japan also continues its pledge not to be a military power or a threat to other countries, the prime minister said.

This year 494 Japanese students and six Thai students graduated from the National Defense Academy in Yokosuka, Kanagawa Prefecture.

A record 94 graduates declined to take positions in the Self- Defense Forces, Defense Agency officials said. That means one out of every five graduates refused to join the Armed Forces.

Sixty students declined to start military service last year, the previous record.

Government To Send Environmental Missions to Gulf

OW2403110291 Tokyo KYODO in English 1027 GMT 24 Mar 91

[Text] Tokyo, March 24 KYODO—The government is planning to send environmental protection missions to Kuwait and Saudi Arabia, possibly in April, government sources said Sunday.

The government is considering sending a medical team to Kuwait to examine the health effects of burning oil wells, groups of wildlife experts and veterinarians to Saudi Arabia, and teams of experts on desalination and oil spills to Saudi Arabia and other countries.

Air pollution caused by the oil wells, set on fire during the Persian Gulf war, may be a serious threat to the health of people in Kuwait, officials fear.

Veterinarians are expected to join efforts in Saudi Arabia to protect birds and animals stained with crude oil leaked into the Persian Gulf during the war, the sources said.

Desalination experts will advise Saudi Arabians on protecting desalination facilities from oil-contaminated water and minimizing damage to the facilities.

Further on Teams

OW2603101291 Tokyo KYODO in English 0937 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—The Japanese Government on Tuesday decided to dispatch two teams of specialists to the Persian Gulf region to combat oil slicks there and lend expertise on water desalination plants.

The announcement by Foreign Ministry officials followed the government's decision earlier in the day to donate over 1.7 billion yen (about 12.6 million dollars) to international programs aimed at fighting the effects of the oil slicks and oil well fires in the Gulf region and at helping Palestinians in the Israeli-occupied West Bank and Gaza Strip.

Officials said an 18-member disaster relief team will go to Saudi Arabia within the week at the request of the Saudi Government to advise on the use of oil skimmers and other equipment already supplied by Japan.

The experts from both within and outside the government will also participate in actual oil skimming. Officials said another team may follow if the need arises.

Officials said the second team, consisting of 12 public and private sector experts, will also leave for eastern Saudi Arabia within the week to help that country maintain desalinization plants. They said it may also go to the United Arab Emirates.

The team will provide expertise on measures to keep oil away from water supply intakes and to deal with oil that has already entered the plants

In a morning cabinet meeting, the government decided to offer 1.5 million dollars to the International Maritime Organization (IMO).

The IMO set up a fund in mid-March to facilitate the fielding of equipment and services by concerned governments to combat the oil spill in the Gulf and to contain its damage to the environment.

Another 1.1 million dollars was allocated in trust to the United Nations Environment Program (UNEP) to support its action program for the Gulf area.

The program aims to assess environmental damage in the area from the oil spills and oil well fires and eventually to formulate a long-term plan of action.

The government donated 1.37 billion (about 10 million dollars) yen to the United Nations Relief and Works Agency (UNRWA) to help fund a 33 million dollar plan for distributing food to Palestinians in the Israeli-occupied West Bank and Gaza.

Officials noted that the food and economic situation of Palestinians in the occupied territories has deteriorated due to the effects of the Gulf war, which led to a loss of overseas remittances, a cutoff of aid from Gulf states, and a tight Israeli government curfew.

The pledges were the first since the government on March 20 announced a set of near-term responses to the problems in the Middle East, including those of peace and security, arms control and disarmament, economic reconstruction, and the environment.

Officials said the government intends to take further measures for air pollution prevention and wildlife conservation in the Gulf area.

Officials Remark on Aid to Middle East

OW2603012491 Tokyo KYODO in English 0047 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Japan will donate over 1.7 billion yen (about 12.6 million dollars) to international programs for the Middle East, with most of the money going to help Palestinians in the Israeli-occupied territories, Foreign Ministry officials said Tuesday.

The remainder of the donation will go to programs fighting the effects of the oil slicks in the Persian Gulf and oil well fires in Kuwait.

Officials said the government, in a morning cabinet meeting, agreed to offer 1.37 billion yen (about 10 million dollars) to the U.N. Relief and Works Agency

(UNRWA) to help fund a 33 million dollar plan for distributing food to Palestinians in the Israeli- occupied West Bank and Gaza Strip.

The food and economic situation for Palestinians in the occupied territories has deteriorated due to the effects of the Gulf war, which led to a loss of overseas remittances, a cutoff in aid from Gulf states, and a tight Israeli Government curfew, they said.

Japan will also offer 1.5 million dollars, or 204 million yen, to the International Maritime Organization (IMO) to finance a fund set up in mid-March to stem the environmental effects of the oil spills in the Gulf, officials said.

Another 1.1 million dollars was allocated to an emergency fund set up by the U.N. Environment Program (UNEP) to assess and alleviate the damage to the environment by the oil leaks and the wells set on fire by retreating Iraqi forces.

Japan, which has sent materials and equipment to the Gulf to combat the oil spill, has also dispatched a survey team to look into the environmental problems in the region.

In a policy package announced March 20, the Japanese Government pledged to step up contacts with Palestinians and Israelis and also vowed to help finance U.N. peacekeeping operations in the Middle East.

The package outlined plans for expanded political contacts in the region and contributions to economic reconstruction, arms control, and environmental rehabilitation, but was scant on details.

Kaifu Panel Urges More Environment-Oriented Aid

OW2603034791 Tokyo KYODO in English 0339 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Prime Minister Toshiki Kaifu's advisory panel on Official Development Assistance (ODA) Tuesday urged more consideration to the environment in extending aid to foreign countries.

In filing a report on Japan's assistance policy, the panel called for Japan to contribute more to protection of the global environment through economic aid to developing countries.

Economist and former Foreign Minister Saburo Okita, head of the External Economic Cooperation Council, presented the report to the prime minister during a meeting.

Japan's ODA policy is criticized overseas for helping destroy the global environment. Local residents and environmentalist groups opposed a Japan-funded dam project in India, and rain forest development in Southeast Asia.

The report said developing nations expect much from Japan for its technology to combat environmental destruction, noting the need to take the lead in realizing sustainable development compatible with environmental conservation.

It urged the Japanese Government to consider the suspension of economic assistance to development projects without sufficient antipollution measures.

Cambodia's Son Sann Arrives for Talks

OW2503121691 Tokyo KYODO in English 1203 GMT 25 Mar 91

[Text] Tokyo, March 25 KYODO—Cambodia's resistance leader Son Sann arrived in Japan on Monday for talks with Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama.

Son Sann, prime minister of the coalition government set up by the tripartite Cambodian resistance fighting the Phnom Penh government, is scheduled to pay a courtesy call on Prime Minister Toshiki Kaifu on Tuesday, Foreign Ministry officials said.

Son Sann, who is also leader of one of the three Cambodian factions opposed to the Vietnam-backed Phnom Penh government, will also meet Foreign Minister Taro Nakayama later in the day to discuss the Cambodian issue.

Nakayama will call on Son Sann to support Japan's peace initiative, they said.

Japan has worked out a peace plan to break the deadlock in efforts to end the 12-year-old civil war in Cambodia.

Son Sann will stay in Japan for six days as a guest of the Foreign Ministry.

Urges Eviction of SRV Forces

OW2603094191 Tokyo KYODO in English 0928 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Cambodian opposition faction leader Son Sann on Tuesday asked Japan to help bring about the departure of all Vietnamese troops from his country, Japanese officials said.

The leader of the smallest faction in the tripartite coalition fighting the Vietnamese-backed government asked for the assistance during a brief meeting with Prime Minister Toshiki Kaifu.

Son Sann, 79, also urged Japan to help diminish the influence of the Khmer Rouge, the strongest militarily of the three coalition factions, officials said.

Officials said he spoke of a general need to be "liberated" from the Khmer Rouge and expressed the desire follow up on the subject with Japanese officials in upcoming talks.

The opposition coalition has frequently accused Vietnam of keeping troops in Cambodia, but Hanoi has consistently denied the charge.

Foreign Ministry sources said Japan has no information which would either confirm or deny the claim, adding the ministry has not pressed Vietnam on the subject in past consultations.

Officials said Kaifu told Son Sann that as an Asian country, Japan is eager to achieve a peaceful settlement in Cambodia. He noted that the peace process is entering its final phase.

But Son Sann said he felt the peace process had stalled.

He praised Japan for its consistent efforts to facilitate the peace process and said Japan may now be the only country which can move things forward.

Son Sann's remarks were in apparent reference to Thailand's diminished role in the peace process following the military overthrow last month of Prime Minister Chatichai Chunhawan Government.

Chatichai had been active in the Cambodian negotiations and broke away from previous thai policy by opening up contacts with the Phnom Penh government.

Political observers here said the new Thai government installed by the military will likely revert to its former policy and break off contacts with Phnom Penh, thus strengthening the position of the Khmer Rouge and further weakening Son Sann's faction.

Son Sann served as Prime Minister of Cambodia from 1968-69 under Prince Norodom Sihanouk, but went into exile after Sihanouk was toppled in 1970.

Sihanouk heads the second largest faction in the tripartite resistance coalition.

Meets With Foreign Minister

OW2603153691 Tokyo KYODO in English 1523 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Cambodian resistance faction leader Son Sann said Tuesday Japan is now in a position to assume a key role in the Cambodian peace process.

In a dinner meeting with Foreign Minister Taro Nakayama, the 79- year-old leader also called on Japan to expand the scope of the relief aid it extends to Cambodian refugees and displaced persons to encompass those even more destitute in rural Cambodia, officials said.

Son Sann heads the smallest of the three factions allied against the Vietnamese-installed Heng Samrin regime in Phnom Penh. He arrived in Japan on Monday as a guest of the Foreign Ministry.

"Favorable conditions are now coming together for Japan to take action to break the deadlock in the Cambodian peace process," Son Sann was quoted as telling Nakayama.

Officials said Son Sann noted that the military overthrow of the government of Thai Prime Minister Chatchai Chunhawan leaves Japan as the only country that can now play the leading role.

Thailand's ruling junta is widely believed to favor a pullback from Chatchai's policy of active engagement in the Cambodian peace process, in which Thailand forged closer links with Phnom Penh.

Son Sann added that Japan's role is enhanced now that the Gulf war has ended, as conditions are ripe for the international community to turn its attention to ending the 12-year conflict in Cambodia.

As an Asian country having contacts with the both sides in the conflict, Japan should try and influence Phnom Penh to accept the U.N. Security Council's peace plan, he said.

Officials said Son Sann noted that the plan, which calls for U.N. administration of Cambodia until elections are held, has been accepted by the tripartite coalition but is opposed by Phnom Penh and Hanoi.

Son Sann also drew Nakayama's attention to the plight of rural Cambodians, especially those in the north, saying Japan needs to extend more humanitarian aid.

Officials quoted him as saying the lack of medical care, food and water is worse in rural Cambodia than it is for their countrymen in refugee camps across border in Thailand.

Japan recently extended 1 million dollars in assistance to displaced persons inside Cambodia.

Nakayama said Japan is pleased that the tripartite coalition supports the U.N. peace plan, but added that the four factions need to show greater flexibility.

Officials quoted Nakayama as saying Japan supports the efforts of Indonesian Foreign Minister Ali Alatas, who serves as co-chairman of the Paris international peace conference on Cambodia.

Nakayama also called for the four factions to meet under Alatas' auspices. A meeting of the four is reportedly scheduled before the end of April in Jakarta.

Japan, he said, has also taken steps to promote the U.N. plan, such as sending an emissary to Beijing and Phnom Penh recently to meet with the representatives of the four factions.

Government To Aid Cambodian Refugees in Thailand

OW2603111991 Tokyo KYODO in English 1059 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Japan on Friday announced a set of measures to help alleviate suffering among Cambodians who have fled to Thailand as well as displaced persons within Cambodia.

Foreign ministry officials said the government has decided to donate canned fish worth 650 million yen to help Cambodian refugees along the border in Thailand survive a "serious" food shortage.

But the aid, which will be disbursed through the World Food Program, an agency affiliated with the United Nations, is not expected to reach the Cambodians for another three or four months, they said.

The goverment also offered emergency aid in the amount of 1 million U.S. dollars, or 136 million yen, to the U.N.-affiliated Cambodian Humanitarian Assistance Program for the relief of internally displaced persons in Cambodia.

Officials said the money would be used to purchase food and provide transportation.

There are an estimated 300,000 Cambodians catagorized as either refugees or displaced persons in Thailand living in camps bordering their homeland.

In addition, there are some 140,000 internally displaced persons in the western and central parts of Cambodia.

Finance Minister Displeased With Weak Yen

OW2603025491 Tokyo KYODO in English 0246 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—Finance Minister Ryutaro Hashimoto again expressed displeasure Tuesday with the yen's weakness on the foreign exchange market.

"I really am displeased," he said, speaking to reporters after a cabinet meeting. "If the markets took a more detached view of the economy of each country, I think the situation will be a little different."

On the dollar's rise, he said he is "greatly concerned that it would not be good for the world economy."

The minister said that for the time being, the best he could do is to take action in coordination with the top financial heads of the Group of Seven (G-7) industrial countries.

Government Submits 12-Day Provisional Budget

OW2603005691 Tokyo KYODO in English 0043 GMT 26 Mar 91

[Text] Tokyo, March 26 KYODO—The government Tuesday submitted to the Diet a provisional budget covering the first 12 days of fiscal 1991, which starts April 1.

The provisional budget, which will enable the spending of 5,421.8 billion yen to cover basic government operations, is expected to be approved by the House of Representatives on Wednesday and by the House of Councillors on Thursday, political analysts said.

The interim measure, the fifth in as many years, is being taken by the government as a precaution, in case the opposition-controlled upper house of the Diet rejects or delays the passage of the government's proposed 70.35 trillion yen fiscal 1991 budget.

The full-scale budget proposal was passed by the lower house March 14. Under the constitution, a proposed budget automatically passes 30 days after receiving approval from the lower house, even if the upper house votes down it.

North Korea

Official Views N-S Table Tennis Participation

SK2503112791 Pyongyang KCNA in English 1029 GMT 25 Mar 91

[Text] Tokyo March 23 (KNS-KCNA)—The Governor of Chiba Prefecture Takashi Numada, chairman of the Organizing Committee of the 41st World Table Tennis Championships, issued a congratulatory statement to the press on March 18 in connection with the fact that the North and the South of Korea will participate in the championships as a unified team.

The participation of the North and the South in the 41st World Table Tennis Championships as a unified team is very pleasant as the world table tennis championships has come to contribute to peace, he said.

Noting that the unified team will be a strong team and its activity in the championships is expected, he said that upon hearing the unified team is visiting Japan for a joint rehearsal, he welcomes it from the bottom of his heart.

Japan Residents' Cheering Squad Reaches Accord

SK2403085691 Pyongyang KCNA in English 0801 GMT 24 Mar 91

[Text] Pyongyang March 24 (KCNA)—The General Association of Korean Residents in Japan (Chongnyon) and the South Korean Residents Association in Japan (Mindan) agreed to jointly welcome and cheer the Korea table tennis unified team which will participate in the 41st World Table Tennis Championships scheduled in Chiba Prefecture, Japan, at the end of April, according to a KNS report from Tokyo.

In this connection, a press conference was held in Tokyo on March 22.

According to an agreement which was signed and made public at the press conference, the two sides shall organize a joint welcome committee with the vice-chairman of the Central Standing Committee of Chongnyon and the deputy head of the Mindan center as the co-chairmen and a joint secretariat set up under the joint welcome committee to deal with practical matters in welcoming and cheering the Korea table tennis unified team.

The sides decided to adopt the flag of the North-South unified team as the flag of the cheering group and the folk song "Arirang" as its song and to form a joint cheering command party of 20 members, 10 from each side. The flag and the song had been agreed upon at the North- South sports talks.

The agreement specifies a series of practical matters including the questions of welcoming and seeing off the Korea unified team and sharing the expenses.

Reportage on Team Spirit Exercises Continues

21 Mar Activities Reported

SK2403090091 Pyongyang KCNA in English 0805 GMT 24 Mar 91

[Text] Pyongyang March 24 (KCNA)—The U.S. Pacific Airforce Command staged a large-scale air and ground joint strike exercise against the North in the sky above South Korea on March 21, according to military sources.

Mobilized in the air operation in the sky above Anmyon Island, Kongju and Yongdong were formations of nuclear-capable "F-15" and "F-16" fighter-bombers and "A-10" assault planes based in the U.S. mainland and the Pacific and some 220 fighter-bombers, assault planes and observation planes of the U.S. Air Force stationed in South Korea and the puppet Air Force.

Meanwhile, the U.S. imperialists and the South Korean puppets staged ground attack operations against the North in Chongju and Kunwi areas under the cover of tens of military planes "F-16," "F- 4" and "OA-10."

On the same day, the U.S. imperialists deployed in Osan Air Base formations of "A-6" assault planes from Atsuki Base, Japan, and sent "U-2," "RC-12" and "RV-1" high-altitude strategic and tactical reconnaissance planes to the sky above the Military Demarcation Line on 14 occasions for espionage on targets in the depth and forward area of our side.

A total of 610 planes were mobilized in the "Team Spirit 91" military exercises in the sky above South Korea on March 21.

'War Provocation Moves' Denounced

SK2303235991 Pyongyang KCNA in English 0959 GMT 23 Mar 91

["Aggressors Must Give Up Foolish Design To Invade North"—KCNA headline]

[Text] Pyongyang March 23, (KCNA)—The U.S. imperialists and the South Korean authorities must give up their foolish aggressive design on the North and stop their war provocation moves at once.

If the bellicose elements provoke a war against the North, defying our warnings, the aggressors will suffer a greater defeat than in the 1950s and get only corpses and deaths.

NODONG SINMUN warns this in a commentary today.

Recalling that the U.S. imperialists and the South Korean authorities advertise the "Team Spirit 91" joint exercises as "defensive manoeuvres" and, in order to prove this, have "invited" all hues of good-for-nothings to South Korea to let them observe the war gamble, the news analyst says:

Though the U.S. imperialists and the South Korean authorities are staging the drama of "observation" to cover up their criminal color, the invitation of "observers" to see the adventurous war gamble for the fun of it is a thing that can be done only by war fanatics bloated with war fever.

With such clumsy drama they cannot conceal the aggressive and offensive nature of the "Team Spirit" war game nor can they evade the responsibility for bringing the situation of the Korean peninsula to the brink of war.

That the "Team Spirit" joint maneuvers are adventurous offensive exercises for a surprise preemptive strike at our Republic and a test nuclear war against the North is clear, among other things, from the landing and massive river crossing operations.

It is not without reason that the U.S. imperialists and the South Korean rulers are going on the rampage in landing and river-crossing operations, attaching great importance to them, while mumbling about "defensive exercises", they choose Pohang as a landing point because it is similar to Wonsan and Hamhung, coastal cities of the northern half of the country, in topography, depth and tidal current and they designate south Han River as the river- crossing point because it is similar to the Taedong and Chongchon rivers in topography, depth, width and speed of flow. They themselves fail to conceal this.

It is only too clear that the U.S. imperialists and their stooges attach great importance to the landing and river-crossing operations in the "Team Spirit" maneuvers and get hysterics because they take note of the topographic conditions of the northern half of Korea with its long coastlines and many rivers.

The military exercises being a war gamble simulating an attack on the northern half of Korea is also proved by the mobile air strike operation, ground attack operation and "commando" operation staged by them.

There is no room for argument that the "Team Spirit" joint miliary exercises are a most adventurous play with fire to make a surprise preemptive strike and an all-out attack on our Republic from the sky, ground and sea.

The Korean people and People's Army are watching with a high degree of vigilance the dangerous war hysterics of the U.S. imperialists and the South Korean authorities and are fully ready to answer any provocation.

ROK's 'Faked-Up Anti-Communist Case' Noted

SK2403091891 Pyongyang KCNA in English 0819 GMT 24 Mar 91

["Plot of Those Driven Into Crisis"—KCNA headline]

[Text] Pyongyang March 24 (KCNA)—NODONG SINMUN today comes out with a commentary hitting at the fascist outrages of the South Korean authorities in making public a faked-up anti-communist case called "the case of the group for the promotion of national reunification", arresting six persons and putting 21 others on the want list on the suspicion of "forming an organisation benefiting the enemy" in violation of the "National Security Law".

Branding this as a high-handed fascist outrage of the military fascist clique to remove the patriotic and pro-reunification democratic forces including core students in South Korea, the news analyst says:

The South Korean authorities cooked up the groundless case, alleging that the "underground secret organisation" called "Group for the Promotion of National Reunification" induced leading members of the National Council of Student Representatives to "secretly send" woman student Yim Su-kyong to the North.

It is entirely a far-fetched act for the puppets to come out with the fiction of "behind-the-scene manipulation" of the struggle of Chondaehyop and Yim Su-kyong and it is intended to find a pretext to justify their savage anti-communist fascist bayonet-brandishing.

The puppets intend to find a way out in a wholesale crackdown by faking up anti-communist plots. But this is a reckless and foolish act.

Response to ROK's Naktong River Problem Noted

SK2603102891 Pyongyang KCNA in English 0956 GMT 26 Mar 91

["Act To Avoid Responsibility for Pollution"—KCNA headline]

[Text] Pyongyang March 26 (KCNA)—No Tae-u March 23 blared that he would not call the "minister of Environment Agency" and the "mayor" of Taegu to account for the pollution of the service water in the areas along the Naktong River, according to a radio report from Seoul.

This is intended to avoid the responsibility of his group for the pollution and is a challenge to the demand of the people for the punishment of those blamable.

As was reported, the water of the River Naktong has been polluted as the Doosan Electronic Co., in the Kumi industrial zone, backed by the South Korean authorities, let heavily poisoned water flow into the river without purification. As a result, the people residing in Taegu and the central area of South Kyongsang Province who use the river as service water sources are suffering greatly.

Strong voices calling for the punishment of those concerned are ringing out from all segments of South Korea, branding the authorities as one of the chief culprits.

No Tae-u, however, ignored the demand of the people, contending that it is undesirable to call them to task for it.

Thai Princess Makes Official Goodwill Visit

Arrives in Pyongyang

SK2603055791 Pyongyang KCNA in English 0447 GMT 26 May 91

[Text] Pyongyang March 26 (KCNA)—Her Royal Highness Princess Maha Chakri Sirinthon of the Kingdom of Thailand arrived in Pyongyang today to pay an official goodwill visit to Korea at the invitation of the DPRK Government.

At the airport a large number of working people in the city warmly welcomed the goodwill envoy of the Thai people, waving flags of the two countries and bunches of flowers.

Vice-president Yi Chong-ok, Vice-premier Kim Pok-sin, officials concerned and diplomatic envoys of various countries here met the princess and her party.

A welcome function for Her Royal Highness Princess Maha Chakri Sirinthon took place at the airport.

In an editorial NODONG SINMUN today says the Korean visit by Her Royal Highness Princess will be an important occasion in developing friendly relations between the two countries to a new higher stage.

Welcomed by Thai Papers

SK2603053291 Pyongyang KCNA in English 0420 GMT 26 Mar 91

[Text] Pyongyang March 26 (KCNA)—Papers here today come out with editorials welcoming an official goodwill visit to Korea by Her Royal Highness Princess Maha Chakri Sirinthon of the Kingdom of Thailand at the invitation of the DPRK Government.

The Korean visit of Her Royal Highness princess will mark an important milestone in developing the friendly relations between Korea and Thailand to a new, higher phase, says NODONG SINMUN, and continues:

It will also help toward developing the friendly and cooperative relations among Asian nations and achieving peace and stability and common prosperity in this region.

Today the Thai people are registering many successes in their efforts to build a happy, prosperous new society under the correct leadership of respected His Imperial Majesty King Phumiphon Adunyadet.

Our people are sincerely rejoiced as over their own over the achievements made by the Thai people in the building of a new society and wish them greater success in the future.

As an ASEAN member nation, Thailand is interested in developing friendly and cooperative relations among countries in this region and achieving common prosperity of Asia and strives for this.

Korea and Thailand have expanded and developed visits, contact and cooperation in different fields in the past and, in this course, understanding has deepened and mutual relations have become closer.

Mutual visits of high-level delegations between the two countries in recent years well show the friendly relations between the two countries daily developing on good terms.

H.R.H. Princess Maha Chakri Sirinthon is deeply respected and loved by the Thai people for her devotion to their welfare and the nation's development with her prodigious learning.

To develop the friendly and cooperative relations between Korea and Thailand fully conforms to the aspirations and desire of the two peoples struggling to build a prosperous new society and it is helpful toward the building of a new society in the two countries.

The Korean people will as ever actively strive to further strengthen and develop the friendly and cooperative relations between the two countries.

MINJU CHOSON says:

The friendly and cooperative relations growing in strength and developing between the Korean and Thai peoples are conducive to the achievement of common prosperity and progress and guarantee of the cause of Asian peace.

Chongnyon Delegates, Troupe Arrive From Japan

SK2403084791 Pyongyang KCNA in English
0809 GMT 24 Mar 91

[Text] Pyongyang March 24 (KCNA)—A delegation of Chongnyon officials headed by Pak Chong-sang, director of a department of the Central Standing Committee of Chongnyon [General Association of Korean Residents in Japan], arrived in Wonsan on March 23 to visit the socialist homeland.

An art troupe of Koreans in Japan arrived in Pyongyang on the same day to participate in the Ninth April Spring Friendship Art Festival.

Cultural Cooperation Plan Signed With Soviets

SK2503120791 Pyongyang KCNA in English
1103 GMT 25 Mar 91

[Text] Pyongyang March 25 (KCNA)—A 1991-1992 plan on cooperation between the Korean-Soviet Friendship Society and the Union of Soviet Societies of Friendship and Cultural Relations With Foreign Countries and the Soviet-Korean Friendship Society was signed here today.

Present at the signing ceremony on the Korean side were Vice-Chairman of the Committee for Cultural Relations With Foreign Countries O Mun-han, Vice-chairman of the C.C. [Central Committee], the Korean-Soviet Friendship Society Yi Pong-hui and other officials concerned and on the Soviet side were the members of the delegation of the Soviet-Korean Friendship Society headed by Vice-Chairman of its Central Committee K. Balakhmetov [name as received] and Soviet Ambassador to Korea Aleksandr Kapto.

Pak Song-chol Meets Nigerian Economic Delegates

SK2303044691 Pyongyang KCNA in English
0417 GMT 23 Mar 91

[Text] Pyongyang March 23 (KCNA)—Vice-President Pak Song-chol at the Mansudae Assembly Hall Friday met and had a friendly conversation with the government economic delegation of Nigeria headed by Y.Y. Kure, minister of youth and sports.

Present on hand were Minister of External Economic Affairs Chong Song-nam, Vice-Minister of Foreign Affairs Kim Yong-yong and Nigerian Ambassador to Korea Salau Adeku Lawal.

The head of the delegation said that the Korean people built an ideal socialist society in a shortest span of time under the wise guidance of the great leader His Excellency President Kim Il-song and the party.

The government and people of Nigeria actively support the Korean people in their efforts to relax the tensions on the Korean peninsula and reunify the country on the three principles of independence, peaceful reunification and great national unity, he added.

Magnesia Clinker Industry Prospects 'Promising'

SK2303235491 Pyongyang KCNA in English
1019 GMT 23 Mar 91

[Text] Pyongyang March 23 (KCNA)—Korea's magnesia clinker industry is widely known for its promising prospects.

Magnesite deposits are abundant in Tanchon, Paekam, Kimchaek, and other areas of the country.

Korea ranks first in the world in its deposits and quality.

Magnesite is used widely as a fireproof material which stands a heat above 2,800 degrees centigrades. It is also used in the production of metal magnesium and magnesium mixtures and in rubber, paper, sugar and ceramic industries.

Tanchon, South Hamgyomg Province, is its leading producer.

An estimated 6 billion tons of magnesite is deposited in this area where the Yongyang mine and the Taehung general mining enterprise are situated.

Open-cast mining is the main cutting method at the nearly 50-year-old Yongyang mine called "Paekgumsan" (platinum mountain).

The Taehung general mining enterprise extensively developed in the 1970s annually turns out hundreds of thousands of tons of magnesia clinker at its kilns, while steadily increasing the production of mineral.

The production capacity of the mine is being expanded on a large scale.

There is also a modern magnesia factory in Tanchon. It mass-produces magnesia clinker of good quality with magnesite from the Yongyang and Taehung mines.

The state is increasing investment in magnesia clinker production.

UAWPK CC Plenary Meeting Held 21-22 Mar

SK2303044991 Pyongyang KCNA in English 0430 GMT 23 Mar 91

[Text] Pyongyang March 23 (KCNA)—The 16th Plenary Meeting of the Central Committee [CC] of the Union of Agricultural Working People of Korea [UAWPK] was held in Pyongyang on March 21 and 22.

The plenary meeting discussed the question of intensifying the mass movement for increasing meat and egg production, etc. upholding the stockbreeding policy of the Workers' Party of Korea.

The reporter and speakers called upon the union organisations and functionaries to contribute to improving the people's dietary life by radically expanding the production of livestock products through the display of high revolutionary spirit and sense of responsibility in the efforts to carry through the party's stockbreeding policy.

They proposed measures to rapidly increase meat and egg production and called upon the union organisations to push ahead with the model stockbreeding unit movement initiated by the party.

Daily Views Party Life as Training Center

SK2603090991 Pyongyang Domestic Service in Korean 0007 GMT 22 Mar 91

[NODONG SINMUN 22 March special article: "Party Life Is a Melting Pot in Which Party Members Are Trained in a Revolutionary Manner"]

[Text] To train oneself in a revolutionary manner through party life is the honorable duty of the party members.

The dear leader Comrade Kim Chong-il has noted: Party life is a melting pot in which the cadres and party members are being trained in a revolutionary manner.

Stressing the need to consolidate single-minded unity among the leader, the party, and the masses through the satisfactory performance of party work and working with the people, the dear leader Comrade Kim Il-song has stressed further strengthening the party life of the party members. His teaching is a valuable guideline for further strengthening the single-minded unity of the entire party and preparing all the party members as chuche-type communist revolutionaries according to the demand of the developing reality.

To strengthen the party life of the party members is the basic need for strengthening the party organizationally and ideologically.

The party is a political organization around which the masses of the party members are united. The unity and cohesion of the party and its strong fighting power is guaranteed by the degree of the party members' political and ideological preparedness and their roles.

Only when the party members, armed with high political and ideological traits and qualities, play the vanguard role will the party become a solid united organizational body, and only then can it fulfill its own militant function and role satisfactorily. Only through party life can the party members prepare themselves politically and ideologically to fulfill their duties.

Party life means the party members' ideological and organizational life. No other way is better than the party life for making the party members keep glorying in their political life, and for training them organizationally and ideologically.

It is our party's constant policy to train the functionaries and party members in a revolutionary manner through party life. Our party has always encouraged the functionaries and party members to strengthen their party life to prepare them politically and ideologically, while strengthening its own militant might in all directions.

The justness of our party's policy, which is designed to strengthen the party life, has been proven in full by experiences.

The justness of our party's policy, whose goal is to train the party members in a revolutionary manner through party life, lies above all in preparing them as ardent communist revolutionaries full of fiery loyalty and filial duty to the party and the leader.

To prepare the functionaries and party members as loyal subjects who share the same fate with the party is a basic task to strengthening the party organizationally and ideologically. The functionaries and the masses of the party members are the revolution's core forces that loyally uphold the guidance of the party and the leader.

The endless loyalty and filial duty to the party and the leader, that are guiding the revolution and construction on a single-track road to victory, constitute the backbone of the political and ideological traits and the quality of our functionaries and party members.

The hearts of the party members should always be full of the fiery loyalty of truly upholding and honoring the party and the leader. Their hearts should always beat with firm faith and a sense of obligation to trust only the party and the leader, sharing their fate, under any circumstances.

When all the functionaries and party members are endlessly loyal, our party and the revolution will vigorously advance along the single-track road toward victory, without wavering under adverse circumstances.

The party members' firm faith and sense of obligation to uphold, honor, and follow the party can be matured even further only through party life.

Party life enables the party members to firmly establish a revolutionary outlook on the leader [suryong]. Only through party life can the party members study, arm themselves with the party lines and policies, which are the embodiment of the leader's revolutionary ideology in the course of receiving the ideological indoctrination, and then have a deep understanding of the greatness of the party and the leader.

The blood ties between the party's leader [yongdoja] and the party members are to be forged through the party organizations, and the party members stand to gain the leader's great benevolence through the party organizations, eventually becoming united as one around the leader.

Experience acquired in the course of revolutionary struggles shows that true loyal subjects who are devoted to serving the party and leader are none other than those party members who test themselves through voluntarily participating in party life, and those who have firmly established a revolutionary outlook on the leader.

The justness of the party policy designed to train the party members through party life also lies in making the party members play their vanguard role in fulfilling their revolutionary tasks.

Our party is a vanguard unit of a class organized with the model elements of the workers, peasants, and working intellectuals. None but party members are the vanguard fighters who are destined to guide the masses in all fields of work.

For the party members who have become party members only after vowing that they will set a struggle example in the vanguard of the masses, no duty is more honorable than playing the leading role in the struggle to implement the party's lines and policies.

For the party members to play their role as the vanguard fighters in all areas, it is absolutely necessary to satisfactorily carry out a struggle to implement the party's lines and policies in all units. This is because the struggle in all the units to implement the party's lines and policies is organized and led by the party organizations.

Each and every one of the party members receives the party-assigned tasks through the party organizations, and carry out the revolutionary tasks under the guidance and assistance of the organizations.

The political work conducted inside party organizations enables party members to know well the party lines and policies presented in each time period, and to harden their ideological resolve to fulfill their revolutionary duty with a sense of responsibility.

The party members are to demonstrate their mass heroism and create miracles through stirring propaganda and agitation. The party members who are now creating miracles and upsurges at every battle site under the slogan, "What the party decides, we will do," are the model party members who have elevated their organizational views through a good party life, and have sincerely carried out the decisions and assignments commissioned by their organizations.

Party life provides the party members with an important opportunity to examine and sum up at a high political and ideological level their routine progress in implementing their own revolutionary tasks as part of their self-training, by linking them to their ideological life and wonderfully carrying out their revolutionary tasks.

An active party life makes the party members examine for themselves, every hour and every day, what problems arise in their self-training and what shortcomings they have that merit correction, and make a better job of all assignments on the strength of comradely advice and assistance from the party organizations and party members.

Even the functionaries' and the party members' revolution- mindedness, party-mindedness, awareness of the party's role as the party of the working class, and people-mindedness are to ceaselessly grow stronger in the course of party life, along with the revolutionary spirit of self-reliance and arduous struggle by which one carries out revolutionary tasks on one's own without fail.

The justness of the policy designed to train the party members through party life in a revolutionary manner lies in the fact that it makes all the party members bring the revolution steadily to fruition. The revolution and construction can go through difficulties. Obstacles can be found on the road along which the revolution advances. The heavier tasks the party faces, the more powerfully the party members should strengthen party life. Only then can they carry out the revolution to the end.

Party members who are doing well in party life will never experience political and ideological senility, nor will they break away from the revolutionary ranks no matter how long a time may have passed and no matter how much the environment may have changed. If one becomes idle in one's party life, one becomes ideologically sluggish, nor can one establish a correct revolutionary view on the world.

Party life prevents party members from being influenced by all manner of old ideas, while making them always work and live in a revolutionary manner, with sound thoughts.

Only when they make themselves endlessly useful to the party in revolutionary posts wherever possible, can the party members resolutely struggle against bourgeois reactionary ideas and the decadent way of life, without flinching in the face of any crafty imperialist ideological and cultural offensive.

Party members can glorify their political life to the end and defend their revolutionary faith and sense of obligation to trust and follow nobody but their own party and leader, only when they are under the guidance and care of party organizations.

Party life makes the party members deeply cherish a high level of awareness of organization and discipline in their hearts. The key to making all party members establish the powerful discipline of moving as one under the party center's monolithic guidance, and working at all times with tension and militancy, without even the slightest laxity in attitude or with stagnation, lies in strengthening their party life.

Each and every one of the party members leads his party life as a member of the party cell. So, how party members lead their party lives depends largely on the role of the party cell.

It is our party's consistent demand that the party cell's militant function and role be heightened so that party members will strengthen party life.

The dear leader Comrade Kim Chong-il has noted: In order to bring up cadres and party members as loyal subjects and filial sons through party life, it is imperative to strengthen the grass-roots organizations of the party, the party cell in particular.

The party's policy aimed at strengthening party cells is based on a scientific analysis of the party cell's standing and role in strengthening the entire party and training party members in a revolutionary manner, reflecting a great deal of trust in the party cells and secretaries of the party cells in particular.

As has been explained by the dear leader Comrade Kim Chong-il, the party cell is literally the lowest, grass-roots organization directly responsible in organizing and guiding the cadres and party members in party life. It is also a starting point capable of bringing party members, as loyal subjects and filial sons, through party life.

A position such as that occupied by a party cell reveals how heavy a task it faces in training the members in a revolutionary manner.

As an effort to emulate the example set by the No. 2 Cell of the No. 5 Department of the Korean Central News Agency, a struggle to raise party members as loyal subjects and filial sons who will continue, indefinitely, sharing the party's fate under any adverse circumstances is vigorously being carried out in all party cells.

This is a clear manifestation of our party's single-minded unity by which the entire party is united ideologically and volitionally around a great leader [yongdoja]. Our party's noble intention is to turn all the party cells into party cells as loyal and filial as the No. 2 Cell and the No. 5 Department of the KCNA, thereby strengthening the might of the entire party in all directions.

When the role of the secretaries of all party cells is elevated as wished by the party, and the ranks of the loyal cells expand endlessly, the level of life as a party member will also grow extremely high, and they will grow stronger as chuche-type communist revolutionaries endlessly loyal to the party and leader.

Our party is now proud of being a revolutionary party armed with invincible, militant might.

The might of our party stems from the fact that the entire party is strengthened by solidifying the party cell work and continually training all party members politically, ideologically, and organizationally through party life according to the consistent policy of the party.

Our party's policy on strengthening party life will keep demonstrating its great vitality without interruption, along with the victorious advance of the cause of imbuing society with the chuche idea.

'High Display' of Collectivist Spirit Urged

SK2603123091 Pyongyang Domestic Service in Korean 0007 GMT 24 Mar 91

[NODONG SINMUN special article of 24 March entitled: "High Display of the Collectivist Spirit Is an Important Demand for Glorifying Socialism"]

[Text] Under the communistic slogan of "One for all, all for one," the spirit and trait of collectivism are being highly displayed in our country.

The laudable collectivist custom that is overflowing in society is clear evidence of the firm resolve of our people who are determined to endlessly glorify this most superior socialism of ours, built under the guidance of the party and leader.

Both the struggle to glorify the superior socialism of our own style and the work of giving full play to the spirit of collectivism are inseparably interwoven with each other. This is because our style of socialism has embodied collectivism, with our society achieving its development on the strength of collectivism.

The dear leader Comrade Kim Chong-il has noted: Ours is a socialism that has satisfactorily embodied man's collective demand.

Man—the social being that lives and functions in the collective body of society after establishing social relationships—assumes collectivism along with independence, creativity, and awareness as its essential demand. So it is imperative to embody collectivism without fail in order to build a superior man-centered society.

Apart from collectivism, it is impossible to develop and bring to perfection such social areas as politics, economy, and culture in a way that suits the essential demands of man. It is also impossible to bring up man as true communistic revolutionaries who value the interests of the party and the revolution, of society and the collective body, more than their own.

The key to strengthening the single-minded unity of the revolutionary ranks, and to giving full play to the superiority of the socialist economic system lies in thoroughly embodying the collectivist principles.

Imperialists and their advocates are now opposing collectivism, speaking ill of it as a form of totalitarianism, while viciously maneuvering to foster bourgeois individualism in order to achieve their goal of making those engaged in the revolution victims of an extreme form of individualistic egoism which takes no notice of anything except one's own interest and money, throwing society into disorder and chaos.

The more rewarding the life we are made to enjoy in this, the most superior socialist society in which collectivism has been embodied, then the greater we should display the spirit of collectivism in order to glorify our own style of socialism.

To highly display the spirit of collectivism is, above all, a way of more vigorously demonstrating the might of our society's single-minded unity built on loyalty to the party and leader. Our people take great pride in having achieved the iron-clad unity and cohesion of the entire society which has rallied firmly around the party and leader—this is the source of the invincible might of our own style of socialism and a firm guarantee for bringing the socialist cause to perfection under any adverse circumstances.

It is because our people have displayed an even greater spirit of collectivism that they have not only realized great unity and cohesion unprecedented in history, but they also enjoy the glory of being regarded as powerful and dignified people.

The spirit of collectivism cherished by our people is tied to the thought and sentiment of valuing the noble political life provided by the party and leader more than anything else, and to glorify it forever.

The party and leader are the core of the sociopolitical collective body's life and the matrix of the individual's life. So, without loyalty to the party and leader, it is impossible to speak of relations between any group and individual or of collectivism. In all, collectivism finds its full expression in the loyalty to the party and leader.

Proceeding from the basic demand of their own sociopolitical life, our people now regard being boundlessly loyal to the party and leader as a matter of course, and as a duty that comes natural for them.

With a conviction that they cannot live for even a moment outside the bosom of the party and leader, our people are now voluntarily lining up behind political organizations led by the party, and are endlessly glorifying their noble sociopolitical life in such political organizations. This is the noble trait of our people.

Because all people are armed with the collectivist outlook on life—that the life of such sociopolitical groups is the matrix of the lives of individuals, and linked to the party and leader with blood ties—the unity and cohesion of our society are so solid and mighty that no force on earth can break them up.

The might of collectivism is at once the might of unity. The more our party members and working people display the spirit of collectivism based on the loyalty to the party and leader, the more solid will become the unity and cohesion of society, the driving force behind our revolution. In the process, the invincibility of our own style of socialism will be demonstrated in full.

A vigorous demonstration of the might of collectivism by our people is an important guarantee to keep the shoutings of "Long live the victory" reverberating in all fronts of socialist construction by thoroughly implementing the party's intentions.

Unfolding the long-term operations of socialist economic construction one after another, with a view toward further glorifying our own style of superior socialism founded by the respected and beloved leader Comrade Kim Il-song, our party is now sagaciously guiding the struggle for their realization.

The key to our effecting new revolutionary upsurges in all areas of socialist economic construction, upholding the party's intentions deep in our hearts, lies in highly displaying the spirit of collectivism.

The might of social groups is incomparably greater than the might of an individual. When all the members of society strengthen their collective cooperation to attain their unanimous desire and goal, then they can realize them no matter how high they may be.

It is our people's traditional spirit and proud trait to fulfill the party's economic plans at all costs by highly displaying the spirit of collectivism. Displaying high mass heroism, our people have erected a large number of such large-scale creations as Sohae Lockgate, Sunchon Vinalon Complex, the May First Stadium, and Kwangbok Street in every corner of the country, thereby embroidering the history of our socialist construction with shining feats.

When party members and working people fully display the traditional spirit of collectivism in today's struggle of socialist construction, designed to create the speed of the nineties, then unprecedented miracles will have been created in all sectors of the national economy including the power industry, the mining industry, the light industry, and agriculture. Then the party's plans will also be brilliantly realized.

When this happens, our people's standard of living will rise and the nation's might will be strengthened in every respect. Ultimately our socialism will be turned into a people's paradise in which it is much better to live.

That today we must display high the spirit of collectivism is important if we are to keep our socialism shining forever, without interruption, as a sound and viable society free from unhealthy thoughts or from social evils of any kind.

Today, under deceptive slogans such as freedom, democracy, and ideological liberation, the imperialists and all kinds of class enemies are viciously scheming to both paralyze the sound ideological consciousness of those who carry out the revolution and to implant individualism and egoism among them. Under such conditions, the people who carry out socialist construction should strengthen the struggle to block the imperialists' ideological and cultural infiltration, and should do away with individualism and egoism. In particular, they should concentrate greater efforts on seeing to it that all of society is filled with the collectivist spirit.

Collectivism is the outstanding revolutionary spirit which leads people to live a life worthy of man in all social lives—including the political, economic, ideological, and cultural lives—whereas individualism is the harmful ideology which erodes all reason and conscience of human beings and which causes all kinds of social evil.

In the capitalist society today, various kinds of crimes such as exploitation, plunder, fraudulence, trickery, and homicide are rampant; accordingly, people live in unrest and suffering. The primary reason for this is because individualism has reached its peak in capitalist society. The independent and creative life of the masses of working people can flower only in a socialist society where collectivism is highly displayed.

In our country today, all fields of social life—including the political, economic, and cultural fields—are developing based on the principle of collectivism, and all the people have firmly armed themselves with the collectivist spirit. Therefore, our society can witness neither the phenomenon which insults people's dignity and character, nor the phenomenon of egoism in which one seeks only money and one's interests. There is also no social evil in our society which causes unrest and suffering in the people's lives. Everyone lives in harmony, loving and helping each other like family members, and firmly united as one social and political organism. This is precisely today's reality of our society.

History has never witnessed a harmonious society and a society of justice like our country in which all members of the society are firmly united with comradely love, the dignity of the human being is respected to the maximum, and communist morality has been outstandingly embodied.

We should defend the soundness of our country's socialism and its communist character, generation after generation. To do so, it is imperative to continue to display the collectivist spirit. Collectivism is the life of our style of socialism and the source of its invincibility.

Only when we firmly arm ourselves with the collectivist spirit and thoroughly embody it can we maintain all social relations in accordance with the demands of the chuche idea and win the final victory of the socialist cause. By displaying the collectivist spirit more prominently than ever before and by responding to the party's intent, all party members and the working people should thoroughly crush the imperialists' cunning maneuvers to spread bourgeois ideology and culture, and should fully demonstrate the superiority of our style of socialism in all fields.

KCNA Review of 26 Mar Pyongyang Press

SK2603060191 Pyongyang KCNA in English
0433 GMT 26 Mar 91

[Press review]

[Text] Pyongyang March 26 (KCNA)—Papers here today print a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Shahabuddin Ahmed, acting President of the People's Republic of Bangladesh, on the 20th anniversary of the independence of Bangladesh.

Seminars on the New Year address of the great leader President Kim Il-song were held abroad, says NODONG SINMUN.

The press gives an account of a meeting held to mark the 20th anniversary of the publication of "On Some Problems Arising in Implementing the Uniform Price Policy", a classical work of President Kim Il-song.

MINJU CHOSON comes out with an article titled "Guideline for Improving Fixing of Prices" on the occasion of the publication anniversary of the work.

Under the title "Native Home in Mangyongdae Which Hands Down a Significant Story of That Day", NODONG SINMUN writes that Comrade Kim Chong-suk, the heroine of the anti-Japanese struggle, and dear Comrade Kim Chong-il visited Mangyongdae for the first time, together with the great leader Comrade Kim Il-song 45 years ago.

MINJU CHOSON introduces the reclamation of tideland on the west coast into a dependable grain producer of the country under the wise guidance of President Kim Il-song.

NODONG SINMUN reports that works of Comrade Kim Chong-il were studied and disseminated abroad.

The paper editorially calls for a new turn in the railway transport and MINJU CHOSON for improving city management.

Carried in the press are editorials welcoming Her Royal Highness Maha Chakri Sirinthon of the Kingdom of Thailand who pays an official goodwill visit to Korea at the invitation of the DPRK Government, and her profile.

The press reports that sowing of rice seed on cold beds is in full swing throughout country.

Given in the press is an account of a meeting commemorating the 45th anniversary of the foundation of the General Federation of the Unions of Literature and Arts of Korea.

The press informs the readers that "Serbia imt" art troupe of Yugoslavia to participate in the ninth April Spring Friendship Art Festival gave a performance before invited audience in Belgrade.

According to the press, a protocol of the permanent sub-committee for scientific and technological cooperation was signed between the Governments of the DPRK and the USSR, and a protocol of the thirtieth meeting of the Permanent Subcommittee for Scientific and Technical Cooperation signed between the DPRK and Czech and Slovak Federative Republic in Prague.

Papers inform the readers that paddlers of the North and the South enlisted in the Korea unified table tennis team to the 41st World Table Tennis Championships joined each other in Tokyo.

NODONG SINMUN denounces the South Korean authorities for talking about "democratic development" through "fair elections" in connection with the "local assembly elections" in South Korea today.

The secretariat of the Committee for the Peaceful Reunification of the Fatherland issued Information No. 586 denouncing the South Korean authorities for fabricating an anti-communist smear "case of the Group for the Promotion of National Reunification", says the paper. MINJU CHOSON comments on this.

"Principal culprit of Suso scandal must be punished" is the title of an article of NODONG SINMUN.

According to the press, the "Team Spirit 91" joint military exercises were condemned in different countries and the U.S. imperialists and the South Korean puppets continue to stage provocative air war exercises and commit espionage acts.

NODONG SINMUN conveys voices of world political and public circles calling for adopting a nonaggression declaration between the North and the South of Korea.

Introduced in the press is the Kingdom of Thailand.

The press reports that Comrade Jiang Zemin visited the national exhibition of achievements in industrial and technical progress, the Fourth Session of the Seventh National Committee of the Chinese People's Political Consultative Conference opened, and written opinions and requests for normalization of Japan-DPRK relations were adopted at local assemblies of Japan.

Papers observe the 20th anniversary of the independence of Bangladesh.

NODONG SINMUN says in an article that the argument of the U.S. reactionary quarters about "regional stability" is reactionary one to realize military domination and aggression in various regions of the world.

"U.S. imperialists' Asian strategy and adventurous war racket" is the title of an article of MINJU CHOSON.

South Korea

North Refuses Notification of UNCMAC Head

SK2503132491 Seoul KBS-1 Television Network in Korean 1200 GMT 25 Mar 91

[Text] For the first time since the Armistice Agreement was signed, a general of our nation was nominated as senior member of the UN side of the Military Armistice Commission [MAC].

The United Nations Command [UNC] appointed Hwang Won-tak, ROK Army Major General, as senior member of the United Nations Command Military Armistice Commission [UNCMAC]. This appointment of an ROK general is the first occasion since the MAC was established after the Armistice Agreement was signed on 27 July 1953. This was also agreed upon by the ROK and the United States during the ROK-U.S. annual security consultative meeting in Washington in November last year.

The UNC notified the members of the Neutral Nations Supervisory Commission of the nomination of the ROK Army general as senior member. The UNC also officially notified the North Korean side of his nomination at the conference of duty officers at Panmunjom this morning. However, the North Korean side refused to receive the notification of the nomination of the senior member.

Generals of the U.S. Armed Forces held the position of the senior member of UNCMAC up to now, which is the 56th term of the senior member since the signing of the Armistice Agreement. However, delegates of the ROK and the United States reached an agreement during the ROK-U.S. security consultative meeting last year on appointing an ROK Army general to the position of senior member of UNCMAC to help unify the channels of North-South dialogue and create mutual trust. Thus, the two sides pushed for realization of this agreement.

Appointment of UNCMAC Senior Member Viewed

SK2603064391 Seoul YONHAP in English 0528 GMT 26 Mar 91

["News Analysis" by Yi Tong-min entitled: "New UNCMAC Appointment Raises Hope for Better Inter-Korean Talks"]

[Text] Seoul, March 26 (OANA-YONHAP)—Inter-Korean military talks will now follow a new lead, many here hope, with the appointment of the first South Korean as senior member of the United Nations Command Military Armistice Commission (UNCMAC).

The immediate change is that a South Korean, Maj. Gen. Hwang Won-tak, the new senior member, will be seated face to face with his North Korean counterpart at the head of their delegations in future MAC meetings.

Direct talks between South and North Korea at the meetings, although natural since MAC specifically deals with inter-Korean military matters, were impossible for the past 38 years as 56 American generals in a row took the helm at the 459 MAC meetings to date.

South Korean military officials, sitting in as UNC side representatives, have for too long watched inter-Korean military issues being discussed by North Korean and U.S senior members without the authority to speak out.

The South was often derided for this lack of authority by the North, which has headed its own side ever since the armistice agreement was signed in July 1953. The very fact that South Korea was represented by American generals showed Seoul was "a U.S. colony," the North claimed.

The appointment, in a nutshell, is a pivotal event that gives Seoul much-needed authority, enlarging its role and responsibility in shaping its own security on the Korean peninsula.

Analysts here welcome the shift of leadership, especially as it comes at a time when inter-Korean political and non-political exchanges are gaining momentum. The prime ministers of the two Koreas have visited each other for talks in recent months, South Korean lawmakers are preparing to attend the inter-parliamentary Union General Assembly in the North Korean capital, and table tennis and soccer players from the two sides are playing on the same teams at international championships.

With South and North Koreans heading up future MAC meetings at the truce village of Panmunjom, analysts here are hopeful that the two sides at long last make progress in military talks.

The change was long planned. It was first mentioned last year, when U.S. Defense Secretary Dick Cheney met with President No Tae-u in February. Seoul and Washington agreed last November at the Security Consultative Meeting to appoint a South Korean MAC senior member by 1992.

The agreement reflected a consensus that it is time for South Korea to claim a bigger role while the United States gradually scales back its military presence on the Korean peninsula.

The appointment would have come sooner, analysts say, were it not for "Team Spirit," the annual South Korea-U.S. military drill, and the Gulf war.

UNC officials surprisingly named another American senior member, U.S. Air Force Maj. Gen. James Record, to MAC last month, a move designed to avoid friction with North Korea prior to Team Spirit, they say.

Pyongyang has repeatedly charged that Team Spirit was practice for an invasion of North Korea. With the exercise over, UNC deemed it unnecessary to further delay the shift of leadership.

Not all is well and smooth, however, as North Korea refused to accept the appointment, saying it was invalid as South Korea did not sign the 1953 armistice agreement. On Monday, North Korea refused to accept notification of Hwang's appointment at the daily joint officers of the day meeting at Panmunjom and is most likely to challenge the legitimacy of the appointment.

Pyongyang has always opposed appointment of a South Korean as chief delegate, and some question if the North will attend the next MAC meeting.

UNC has the final say on choosing its senior member, however, and with a South Korean now in the chair, future military talks may well be deserving of hope.

Ten Lawmakers To Attend Conference in North

SK2603012491 Seoul THE KOREA HERALD in English 26 Mar 91 p 2

[Text] The National Assembly has decided to send 10 lawmakers to the 85th general assembly of the International Parliamentarians' Union [IPU] to be held in North Korea late next month, parliamentary sources said yesterday.

The decision was made at a meeting attended by assembly Speaker Pak Chun-kyu, floor leaders of the ruling and main opposition parties and government officials, the sources said.

Those to attend the April 29-May 4 IPU meeting are six lawmakers from the ruling Democratic Liberal Party [DLP], three from the opposition Party for Peace and Democracy [PPD] and one from the minor opposition Democratic Party [DP].

It is yet to be determined who will go to Pyongyang, the sources said.

The two floor leaders, Kim Chong-ho of the DLP and Kim Yong-pae of the PPD, agreed to choose the delegates among those assemblymen who participated in the previous IPU meetings and the deadlocked inter-Korea parliamentarians' talks.

On Jan. 17, Speaker Pak sent a letter to Pyongyang, urging it to receive as many as 40 Seoul delegates, but the Communist North has not yet sent a reply.

The letter also asked the North to allow the Seoul delegation to travel there via the truce village of Panmunjom.

The parliamentary sources said that of the 10 Seoul lawmakers planning to go to Pyongyang, eight will be official delegates and two will be observers.

The South wants to have eight reporters accompany its delegation. "But is not certain whether the North would approve our plan," one National Assembly official said.

Seoul Changes Position on DPRK-Japan Talks

SK2403060691 Seoul CHUNGANG ILBO in Korean 22 Mar 91 p 1

[Text] For the occasion of the third round of negotiations to establish diplomatic relations between North Korea and Japan, which will be held in Beijing soon, the government has decided that it will actively support North Korea's position as much as possible.

It was learned on 22 March that in order to achieve this, the government will demand that Japan make "reparations" to North Korea in their negotiations to establish diplomatic relations. These reparations will be different from ours, which was a liquidation of past misfortunes. The government will not raise an objection to the amount, even if it is relatively more than ours, and will not demand that Japan carry out the principle of equity between North and South Korea.

When Shin Kanemaru, former vice president of the Liberal Democratic Party, visited North Korea, and when negotiations to establish diplomatic relations between North Korea and Japan started, the government demanded that Japan maintain the principle of equity between North and South Korea in the negotiations.

This kind of change in the government's position is basically due to the spirit of its 7 July declaration, which says that "it is willing to cooperate with North Korea so that it can improve relations with our allies, such as the United States and Japan." This is also so because the government accepts the advice of some people who say that if North and South Korea are competitive in relations with Japan, it is contrary to the opinion of international society and national sentiment, especially when we are faced with the issue of entry into the UN.

Along with this, the government decided that it will support North Korea's position of demanding "reparations" instead of "compensation" in the course of negotiations to establish diplomatic relations with Japan. The government also decided that it will not make an issue of how much money Japan will give to North Korea.

A high-ranking government source said: "The reason that we were sensitive about the issue of "reparations" in the past was because of a feeling of self-accusation when we recognized the problems in the ROK-Japan basic agreement." This source also said: "As a result of an overall examination by related ministers, this kind of problem stems from the judgment that the many disputes since the 1965 normalization of relations between the ROK and Japan have ended in fact with the Japanese emperor's apology for the past history."

This high-ranking source added: "When the negotiations to establish diplomatic relations between North Korea and Japan are viewed from the fact that they will achieve reunification and not perpetute division, it is desirable to receive reparations instead of being the side claiming them. Also, it is better if North Korea receives a large amount of economic cooperation from Japan, if it will save expenses for reunification."

This source explained: "Regarding the negotiations to establish diplomatic relations between North Korea and Japan, the five-point principle which we demanded of the Japanese side is still valid. Also, this is to make North Korea give up its plan of communizing the entire Korean peninsula by force so that it can participate and become a responsible member of international society. This is by no means to obstruct the negotiations to establish diplomatic relations between North Korea and Japan."

North Working To Make Macao Diplomacy 'Center'

SK2603004891 Seoul Domestic Service in Korean 0000 GMT 26 Mar 91

[YONHAP report from Brussels]

[Text] Yesterday, the Swiss daily, the JOURNAL DE GENEVE reported that North Korea is working to make Macao the center of its diplomacy, thus carrying out vigorous diplomatic activities such as concluding an agreement to open embassies with Thailand.

The JOURNAL DE GENEVE reported that through the recently established tourism corporation in Macao, North Korea established a joint venture company with the Macao Investment Company and decided to give this company the right to manage a hotel in Pyongyang.

The JOURNAL DE GENEVE also reported that through this office in Macao, North Korea is rapidly developing relations with Taiwan such as issuing a visa to a Taiwanese lawmaker. The report also added that this was perplexing China.

Pak Chol-on Invites PRC Counterpart To Visit

SK2503124991 Seoul YONHAP in English 1207 GMT 25 Mar 91

[Text] Seoul, March 25 (OANA-YONHAP)—Wu Shaozu, minister of the Chinese State Physical Culture and Sports Commission, is likely to visit South Korea in May at the invitation of his South Korean counterpart Pak Chol-on, sports officials said Monday.

Pak, sports and youth minister, sent an official invitation to Wu through Yun Hae-chung, a councilor at Korea's trade representative in Beijing, on March 15, the officials said.

Talking to Korean sports officials who recently visited China for the Korean ethnics sports festival, Wu reportedly hinted at the possibility that a Chinese delegation, including himself, would be dispatched to Seoul to get informed of how Seoul managed to host the Olympiad, they said.

If the invitation of Wu is accepted, Pak would probably include China in the itinerary of his scheduled tour to the Soviet Union and Mongolia around the end of May.

After visiting the Soviet Union at the invitation of his Soviet counterpart, Pak will fly to Mongolia to conclude a sports exchange agreement and stop over in China on his way back to exchange views on promoting mutual sports exchanges, they added.

South, China Agree on Holding Film Festivals

SK2303031891 Seoul YONHAP in English 0213 GMT 23 Mar 91

[Text] Seoul, March 23 (YONHAP)—Movie producers from South Korea and China have agreed to hold goodwill film festivals in Seoul and Beijing this year.

Kang Tae-son, chairman of the Motion Picture Producers' Association, visited China on March 10 and met with Suyun, vice president of the China Film Foundation.

They tentatively agreed to hold festivals in May and June in Seoul, and in September and October in Beijing. They are expected to settle the date, place and the scale when working-level officials meet in Beijing in April.

U.S. Use of Gulf War Contributions Viewed

SK2503153491 Seoul HANGYORE SINMUN in Korean 24 mar 91 p 2

[Editorial: "The Gulf War and Prize Money: We Will Return the Money Left Over"]

[Text] The United States and the allied countries have been in deep discord over the burden of expenditures for the Gulf war. The United States Government has urged the allied countries to pay their burden of war expenditures as soon as possible while saying that, as of 21 March, they had paid only 36 percent out of the $54.544 billion that they had promised to contribute to the United States initially. The United States Senate has passed a bill prohibiting its government from selling and transferring weapons to the countries which have not kept their word in supporting the war expenditures.

Because the U.S. Administration plans to sell weapons amounting to $220 billion to the Middle East region this year, we do not know how much the bill will affect its plan. At least, however, it must be something that incites the allied countries. Taking the postwar reconstruction and the trade pressures into consideration, Korea and Japan have promptly shown their position. Korea has greatly increased its contribution, boosting the second contribution to $130 million in cash instead of the $60 million initially promised, making a total of $280 million in Gulf assistance. This was done because of the U.S. demand for an increase of cash assistance. Japan said that it will immediately pay $5.7 billion to the United States out of $9 billion, and the rest, amounting to $3.3 billion, will be paid at an early date.

The Arab countries, however, such as Saudi Arabia and Kuwait, have raised an objection to the calculation of the U.S. war expenditures. In addition, the German Government has asked the United States to show details of its war expenditures, saying at the same time that it will pay the total amount of war expenditures as promised at an early date. The U.S. forces used missiles in that war for heavy bombardments. The missile prices varied, ranging from several thousand dollars to 1 million dollars apiece. Therefore, we cannot deny that the United States has spent an incalculable amount for the war. The problem is, however, that the United States is going to replace the weapons to the prewar levels. We would say that it will be helpful to the U.S. forces, because they can buy new weapons after using those in stock, and that it also will be helpful to the U.S. war industry, because it can sell as much military equipment to other countries as they require. We would say, in the long run, that the allied countries have supplied the U.S. war industry the cash it needs.

Of course, there is one more problem. The U.S. Senate has initially approved the administration's request for Gulf war expenditures, which amount to $426 billion. The U.S. Senate has initially appropriated $15 billion for the additional budget until the allied countries pay their share of expenditures to the United States, and also it requires the government to put the entire $15 billion in the national treasury when the sharing expenditures have been paid. Therefore, the United States says that the allied countries, in fact, should totally take charge of the Gulf war expenditures. As a result, the United States has became the "world's military police" thanks to all the other countries' money.

Not only this, but Fitzwater, White House spokesman, said that the United States will return the money left over to the allied countries after the war expenses have been paid, in case their contribution was made in excess of the cost. At the same time, he did not forget to say that no money would be left over. The United States, which knocked Iraqi President Husayn out like a pro boxer, is likely to take care of the prize money.

Companies' Economic Efforts in Vietnam Analyzed

SK2603093691 Seoul TONG-A ILBO in Korean 25 Mar 91 p 7

[Article by reporter Paek Sung-hun]

[Text] As a result of the government's recent relaxation of restrictions on economic exchanges with Vietnam, ROK business companies are aggressively trying to enter the Vietnamese markets.

Such general trading companies as Samsung, Hyundai, Lucky-Gold Star, and Daewoo have already opened their branch offices in Vietnam and have resumed investment projects, which had been suspended, or are examining markets to find new projects.

Five general trading companies, including the Samsung Trading Corporation and the Lucky-Gold Star Trading Corporation, and the Korea Petroleum Development Corporation and the Taesong Coal Mining Company—a total of seven companies—have recently established a consortium. This consortium and (Vietsovpetro), a

Soviet joint venture, have begun to jointly explore for oil in the "Big Bear" Block on the southern coast.

Also, the Tongguk Trading Corporation and the Vietnamese Government have recently agreed that Tongguk will lease an area of 300,000 pyong [one pyong equals 3 square meters] in the Song Be Province to build a large-scale industrial complex for small and medium-sized ROK businesses. As shown, ROK businesses are very briskly entering Vietnam.

Vietnam has been assessed as a strategically valuably market because its population is 7 million and because it can serve as a beachhead for our country's entry into two other Indo-Chinese countries (Laos and Cambodia), and is a country through which we can facilitate trade with China, the Soviet Union, and Southeast Asian countries. It has also been the focus of attention by ROK businesses because it has an abundant, skilled labor force and abundant natural resources, and because it is the only market in Southeast Asia that Japan has so far failed to dominate.

However, ROK businesses have not been able to invest in Vietnam at all but have given priority to trade.

This is because the United States, which imposed a ban on trade with Vietnam after Vietnam was communized, has asked its allies, including the ROK, Japan, the United Kingdom, and France, to comply with this ban.

However, this year, the government announced that it would greatly ease restrictions on exchanges with Vietnam, would gradually allow and expand commodities trading, except for strategic commodities; investments; opening branch offices of trading corporations; and exchanging businessmen, and would consolidate our base in the Vietnamese markets at the earliest possible date.

In the Sixth Vietnamese Communist Party Congress in 1986, Vietnam introduced the "Doi Moi" (reform) policy, which calls for a free-market system. It sent an unofficial high-level economic delegation to the ROK last year and asked ROK businesses to participate in its economic reconstruction program.

Accordingly, ROK businesses are planning to increase the number of officials at their branch offices in Vietnam, which were opened late last year with the approval of the two governments, in order to step up their marketing efforts and to establish joint-venture companies to manufacture textile goods and other daily necessities.

Six companies, including Hyundai, Samsung, Daewoo, Lucky-Gold Star, and Kolon, established their branch offices in Vietnam.

The Kolon Corporation, which had shown interest in Vietnam earlier, signed a contract with Vietnam to build a polypropylene bag plant worth $2 million in the suburbs of Ho Chi Minh City (formerly Saigon) and is waiting for approval from the government. Together with a lighter manufacturing company at home, this company is also negotiating for the construction of a lighter manufacturing plant in Tu Duc City, in the southern part of Vietnam. In addition, it is examining a plan to establish a joint-venture to manufacture clothing.

The Kolon Trading Corporation also subcontracted with Vietnamese companies to make clothing and exported $300,000 worth of shirts and jackets to Japan and Europe last year, and will transfer technological assistance to Vietnamese subcontractors to fully establish a subcontracting system.

The Lucky-Gold Star Trading Corporation opened its branch office in Ho Chi Minh City, and is planning to send director-level officials there and to open its branch office in Hanoi, thus expanding its business to the metropolitan area and the central region, from the southern region.

The Lucky-Gold Star Trading Corporation and its Vietnamese counterpart exchanged a memorandum last July to build a big hotel in Hanoi on a 50-50 basis. This project will cost $10 million. It also signed a contract with its Vietnamese counterpart to build a home appliances assembly plant worth $2 million. It is also planning to invest in the dressmaking industry.

Hyundai Corporation is planning to build a joint-venture detergent plant worth $2.3 million and an ethyl alcohol plant worth $20 million in Ho Chi Minh City.

The Samsung Trading Corporation has given priority to trade with Vietnam; it is now considering joint investment in Vietnam.

It is expected that in addition to business conglomerates, small and medium-sized companies that are suffering from labor shortages and high wages at home will actively invest in Vietnam.

An official of the International Private Economic Council of Korea said: "At a time when, contrary to the ROK Government's relaxation of restrictions on economic exchange with Vietnam, the United States has continuously carried out its policy of banning exports to Vietnam, small and medium-sized companies, rather than big conglomerates, will increasingly invest in Vietnam mainly to produce clothing and textile goods."

ROK businesses are facing significant difficulties in Vietnam.

That is, Vietnam has a shortage of convertible currencies such as dollars and, therefore, sometimes delays payments. Its infrastructures, including roads and ports, are insufficient. As a result, ROK businesses are burdened with indirect expenditures.

Hungarian Foreign Minister Arrives 25 Mar

SK2603011691 Seoul THE KOREA HERALD in English 26 Mar 91 p 2

[Text] Hungarian Foreign Minister Geza Jeszenszky arrived in Seoul yesterday for a four-day official visit.

During his stay here, the minister will sign an agreement on the waiver of visa requirements between Korea and Hungary.

He will also talk with Foreign Minister Yi Sang-ok and pay courtesy calls on President No Tae-u and National Assembly Speaker Pak Chun-kyu.

Jeszenszky is the first Hungarian foreign minister to make an official visit to Seoul since Korea and Hungary opened diplomatic relations in February, 1989.

Signs Visa Exemption Agreement

SK2603021091 Seoul YONHAP in English 0200 GMT 26 Mar 91

[Text] Seoul, March 26 (YONHAP)—South Korea and Hungary signed a visa exemption agreement Tuesday that allows stays of up to 90 days beginning April 25, the Foreign Ministry said.

Signed in Seoul by foreign ministers Geza Jeszenszky of Hungary and Yi Sang-ok of Korea, the accord is Korea's first with an East-bloc nation.

The ministry said it hoped the pact would accelerate tourism.

Plans Said Made To Export Used Cars to USSR

SK2603025891 Seoul CHOSON ILBO in Korean 23 Mar 91 p 6

[Text] Used cars will be exported to the Soviet Union for the first time.

On 21 March, the Korean Used Car Association agreed with the (Krams Impact) Company in the Kazakh Soviet Socialist Republic to export 250 used cars including 150 Royal series cars from Daewoo, 80 Presto and Excel cars from Hyundai, and 20 Bongos from Kia.

The price for the used cars collectively will be $600,000 (about 430 million won). The Korean Used Car Association also made a provisional contract to export 200 more used cars.

Trade Ministry Urges Use of Imported Labor

SK2303071091 Seoul YONHAP in English 0600 GMT 23 Mar 91

[Text] Seoul, March 23 (YONHAP)—The Trade and Industry Ministry, tackling the controversial issue of whether to allow imported labor in Korean industry, said Saturday it would push for the use of foreign workers to help overcome a manpower crunch.

Considering that Korean businesses might be losing international competitiveness because of the so-called 3d phenomena by domestic workers to shun dirty, dangerous and difficult work, it is necessary for the country to positively examine importing workers, the Ministry said.

"In the age of internationalization and openness today, the movement of labor power across the border can be seen as the trend of the times from which we are no longer an exception.

"Employment of foreign workers needs a national consensus as the political, economic, social and cultural aspects can have an adverse effect on readjustment of the industrial structure, but there will be no problem if we can make use of the private skill training system, as is the case in Japan.

"In this context, it is desirable to put a limited number of alien workers into some sectors in the process of industrial restructuring from a long-term perspective, while employing foreign laborers through corporate skill training on a short-term basis."

Agreement Signed for ESCAP Meeting in Seoul

SK2603020191 Seoul YONHAP in English 0139 GMT 26 Mar 91

[Text] Seoul, March 26 (OANA-YONHAP)—South Korea and the United Nations have signed a preparatory agreement needed to stage the 47th General Assembly of the Economic and Social Council of Asia-Pacific (ESCAP) in Seoul on April 1, the Foreign Ministry said Tuesday.

Korean Ambassador to Thailand Chong Chu-nyon and ESCAP Secretary-General Shah Kibria signed the agreement at ESCAP headquarters in Bangkok on Monday, it said.

As host nation, Korea will extend to delegations the rights required by the U.N. convention and will exempt goods used by the General Assembly from customs duties and taxes.

Ministry Official States Uruguay Round Position

SK2603013491 Seoul THE KOREA TIMES in English 26 Mar 91 p 8

[Text] The government will stick to the so-called negative formula in clarifying farm subsidies to be cut, with the remainder exempted in farm subsidy bargaining at the Uruguay Round negotiations on free farm trade, said a high-ranking government official yesterday.

Cho Il-ho, director general at the Agriculture, Forestry and Fisheries Ministry, said yesterday that the United States, Canada, Australia and New Zealand have insisted on the positive formula identifying subsidy policies to be exempted with what is not mentioned set to be cut.

Cho, who participated in the working-level farm trade negotiations on March 11-15 in Geneva, said the negative system will be beneficial to domestic farmers as there are a large number of farm supporting policies in Korea. But subsidy policies are not complicated in the United States and members of the farm exporting Cairns Group, said Cho, explaining the reason that the countries insisted on the positive formula.

Representatives of 34 countries discussed technical issues in the cut of domestic farm subsidies, one of three main issues along with market access and export subsidies, at the Geneva talks.

Japan is also in the same position as Korea in cuts of farm subsidies.

Most of the participants except the Cairns group members were negative to the proposal to set ceiling for domestic farm support, Cho said, adding his government has opted for no ceiling. He also said the government objects to GATT's prior ratification on new farm supporting policies to be introduced by individual governments due to the probable intervention of internal policies.

The Cairns Group contended that subsidy policies be monitored regularly but most of the countries wanted to notify each country of what their policies are. Cho said his government is in the latter position.

He said the compromise guidelines on overall farm issues submitted by Arthur Dunkel, GATT's director general, helps the Korean government in negotiations.

The guidelines stipulate that any country will be entitled to discuss bans on imports of farm products for food security and environmental protection.

So far, the government has made efforts to drop dozens of farm crops from the import liberalization list as nontrade concerns (NTCs) such as food security at the Uruguay Round negotiations. But Swedish Agriculture Minister Hoellstrom had proposed a tougher compromise draft at the trade ministers meeting in Brussels in December which excluded the NTC favor.

New Democratic Union Party Holds Rally

SK2403042991 Seoul THE KOREA TIMES in English 24 Mar 91 p 2

[Text] A group of dissidents close to Kim Tae-chung jumped into the political waters when they held a rally to promote a new party, tentatively named the New Democratic Union [NDU], yesterday.

Over 2,000 of the 4,300-odd people registered as members of the party attended the ceremony. They elected Yi U-chong, a professor at Seoul Women's University, as chairman of the party's preparatory committee. Former lawmaker Pak Il, a onetime supporter of Kim Yong-sam, a former opposition leader-turned ruling party executive chairman, and labor leader Kim Mal-yong were appointed vice chairmen.

The NDU is expected to be the shortest-lived party as its only reason for existence is to be merged with an opposition party.

The promoters delegated the leadership with the power to negotiate a merger with "any opposition party interested in cooperation with the NDU." But Kim Tae-chung's PPD [Party for Peace and Democracy] is most likely to be its partner for alliance, judging from the political inclination of its members.

The only opposition leader to attend the ceremony was Kim Tae-chung. Kim stressed the need for a "grand coalition of all opposition and dissident forces to fight the military government."

Yi U-chong addressed those in attendance that the NDU would exert all-out efforts to establish a democratic civilian government for "political development, social justice and independent and peaceful reunification of the fatherland."

'Total of 417' Campaign Violators Reported

SK2403025991 Seoul THE KOREA TIMES in English 24 Mar 91 p 3

[Text] A total of 417 persons were found to have violated the Local Assembly Election Law as of Friday, according to the prosecution.

The Prosecutor General's Office, citing the latest statistics, said yesterday that 60 of the 417 violators were arrested and the remaining 357 booked without physical detention.

The prosecution said that on Friday alone, seven people were arrested for breaking the election law while 43 others were booked without physical detention on similar charges.

The Taegu District Prosecutor's Office arrested Pak Wan-hui, 57, a businessman, who is running for a seat on the local assembly in the Tong-gu constituency in Taegu; Chong Il-nam, 48, and Pak Kom-cha, 48, both campaign workers for Pak, Friday, charging them with violation of the election law.

Pak and the two campaign workers are members of the governing Democratic Liberal Party.

Pak is suspected of having handed out 700 dishes worth about 840,000 won to Chonpyong-dong residents last December, according to the prosecutors.

Prosecutors alleged in the arrest warrants that Pak also gave his two campaign workers 5.48 million won in cash early last week, ordering them to pass out the money to voters. Prosecutors said the two dished out 10,000 to 50,000 won each to 27 households.

The Kimchon branch of the Taegu District Prosecutor's Office also arrested Kim Pan-su who was running for a local council seat in the Sonju-dong voting district in Kumi and two others for conducting irregular campaigns. Kim, an independent, was suspected of having given 2 million won to Mun Chang-su, 38, chief of the "Tong" area through a senior campaign worker Pak Chong-sop, 34, a farmer.

DLP Says Opposition Violated Election Laws

SK2603010291 Seoul THE KOREA HERALD in English 26 Mar 91 p 2

[Text] The ruling Democratic Liberal Party [DLP] is suing two opposition party lawmakers accused of violating election laws.

DLP Secretary-General Kim Yun-hwan accused yesterday that Reps. Kim Chung-cho and Kwon No-kap of the Party for Peace and Democracy handed out campaign pamphlets to voters illegally last week.

Opening of Polls Brings Slow, Steady Turnout

SK2603014191 Seoul YONHAP in English 0105 GMT 26 Mar 91

[Text] Seoul, March 26 (YONHAP)—Polls opened across the nation Tuesday to elect local council members, the first step in bringing back local autonomy after 30 years absence.

Voters will be choosing 3,489 men and women, plus another 615 running unopposed, to serve on 260 local councils in cities, counties and municipal wards. The councils are to convene within 25 days of the election, after picking chairmen and vicechairmen.

The election campaign has lacked enthusiasm, and polls opened with an average competition rate of 2.32-to-1. A total of 178 candidates have withdrawn since the campaign began, nine were disqualified and two have died, leaving 9,970 candidates.

Voters turned out slowly but steadily from 7 A.M. The Central Election Management Committee (CEMC) dispatched tens of thousands of officials to oversee the procedure.

Ballot counting is scheduled to begin at 8 P.M. and official results are expected Wednesday morning.

Local autonomy was one of the promises made by President No Tae-u when he took office, and Tuesday's election is first of two. Elections in bigger constituencies—provinces and the six large cities—are planned within the first half of the year, most likely in June.

The CEMC, worried about low turnout, set up loud speakers near polling sites to encourage the voters and toured districts with loud-speaker vans. Election officials have projected a 55 percent turnout.

A showdown between the government and opposition parties is expected, with the ruling Democratic Liberal Party (DLP) in the lead. Nearly 80 percent of the candidates are reported to be either DLP members of pro-DLP.

The opposition Party for Peace and Democracy is likely to claim victory in parts of Seoul and most of the 50 constituencies in the Cholla provinces, the PPD's stronghold.

'Record Low' Turnout Reported for Elections

SK2603131991 Seoul YONHAP in English 1258 GMT 26 Mar 91

[Text] Seoul, March 26 (YONHAP)—Only about half the eligible voters cast ballots Tuesday in South Korea's first local elections in 30 years, registering a record low voter turnout in the nation's history.

Shortly after the polls closed at 6 P.M., the voter turnout was tentatively put to 52.4 percent of the 24,067,144 eligible voters. The Central Election Management Committee (CEMC) said the rate would edge up slightly over 55 percent when ballot counting was finished early Wednesday morning.

The rate falls far below the 75.8 percent turnout recorded in the parliamentary elections in 1988 and 89.2 percent in the presidential elections in 1987. Before the opening of the polls, the CEMC predicted the voter turnout to be around 60 percent.

Tuesday's polls were to elect 3,489 men and women, plus 615 running unopposed, to serve on 260 local councils in cities, counties and municipal wards. The councils are to convene within 25 days of the election, after picking chairmen and vicechairmen.

According to the CEMC's provisional figures, only 39 percent of the voters went to the polls in Seoul. The highest voter turnout of 68.3 percent was recorded in South Cholla Province, a stronghold of Kim Tae-chung's Party for Peace and Democracy.

A lackluster campaign marred by scandals involving the legislature and the government foretold voter apathy even before the polls opened.

Ballot counting began at around 7:30 P.M. and official results are expected Wednesday morning.

President No Tae-u described Tuesday's polls as the fairest election in history and called it as a sign of democracy taking root.

Elections in bigger constituencies—provinces and the six large cities—are planned within the first half of the year, most likely in June.

Naktong River Contamination Issue Reported

Seoul To Exert 'All Efforts'

SK2303010891 Seoul THE KOREA HERALD in English 23 Mar 91 p 1

[Text] Prime Minister No Chae-pong said yesterday that the government will help private citizens and local administrative units get compensation for the damage they have suffered from the contaminated Naktong River.

The government will also retain the right to demand compensation from the Doosan Electronic Materials Co., according to Information Minister Choe Chang-yun. Choe briefed the press on a conference of related ministers concerning damage control of the piped water contamination, chaired by No.

Emerging from the two-hour meeting, Choe said the government resolve against pollution is strong, and it will exert all efforts to protect the natural environment from all kinds of damage especially from industrial firms.

According to him, a private team composed of seven experts and a government official will soon start probing the state and cause of the pollution of the Naktong River, which is said to have been seriously contaminated by industrial waste released untreated by the Doosan and other firms.

Besides the team, he said an examination is already underway by the Environment Ministry.

By early next week, the authorities will reveal details on how the Doosan dumped the industrial waste into the Han River on the sly along with the names of responsible people, Choe said. The minister said the government will announce the results of the investigation without any reservation.

Prime Minister No was quoted as having said that business firms and the general public should once again be awakened to the importance of environmental protection.

Participants in the meeting included Deputy Premier Choe Kak-kyu, Justice Minister Yi Chong-nam, Trade Industry Minister Yi Pong-so, Home Minister An Ungmo, Health-Social Minister Kim Chong-su, and Environment Minister Ho Nam-hun.

Prosecutors To Arrest Officials

SK2403042891 Seoul THE KOREA HERALD in English 24 Mar 91 p 1

[Text] TAEGU—The prosecution, investigating the dumping of large amounts of phenol into the Naktong River, plans to arrest at least seven government officials on charges of negligence or forging documents, prosecutors said yesterday.

The Taegu District Prosecutor's Office said five officials of Shinsong Co., the Kumi-based maker of copper-clad laminated sheet, were also under investigation on allegations that they dumped about 285 tons of untreated waste phenol into the river last year.

Six officials of Doosan Electro-Materials Co. were placed under arrest last Thursday on charges of discharging hundreds of tons of waste phenol into the river, which triggered tap water contamination in the city and other areas.

Prosecutors said seven staffers at the Taegu Environment Administration and two Taegu City officials in charge of water supply were questioned to determine their possible negligence and other wrongdoings. They include Pak Nam-chae, Yi Sang-sok and Chu Kyo-chong, members of the pollution crackdown team of the district environmental agency.

An initial investigation showed that the government officials are alleged to have forged documents dealing with their clampdown activity on waste-emitting firms, including Soosan Electro-Materials Co.

The prosecution seized the district environmental agency's records on pollution control, which state that Doosan's anti-pollution devices were in normal operations, even though the company confirmed that one of the two incinerator boilers broke down.

Prosecutors said they were trying to determine whether the officials took any bribes in the course of investigating Doosan.

The prosecution found evidence that Shinsong allegedly produced a total of 768 tons of phenol last year, but disposed of only 483 tons through incinerating. And the remaining 285 tons of waste phenol was discharged without treatment, prosecutors alleged.

The prosecution was also expanding its probe to include other phenol-discharging firms in Kumi and Kimchon, prosecutors said.

In a related development, a joint crackdown team, comprised of officials from the Environment Ministry, Taegu City and Kyongsangbuk-do, detected 15 plants discharging untreated toxic waste. The team conducted checks on a total of 136 firms located in the upper reaches of the Naktong River.

Meanwhile, two officials of a chemical product firm were arrested yesterday on charges of dumping large amounts of untreated waste chemicals, contaminating tap water resources in Chochiwon and Uongi County in Chungchongnam-do in the past 15 days.

The two are Yu Chin-tae, president of Dongsung High Polymers Co., and Ko Tok-sun, the Nojang plant manager.

The prosecution said the two were also quizzed to determine whether they provided bribes to relevant officials in connection with permission to build the chemical product plant in the Nojang industrial estate, originally reserved for agricultural processing firms.

Citizens, Consumer Groups Protest

SK2403032891 Seoul THE KOREA TIMES in English 24 Mar 91 p 1

[Text] Public protests are spreading to the nation's major cities to condemn the Doosan Electro-Materials Co., a phenolic laminate manufacturing company, accused of polluting tap water sources.

Some consumers groups are boycotting all products manufactured by the Doosan Business Group and its subsidiaries including OB Beer and Coca-Cola.

Panic and outrage began when a Doosan factory in Kumi, Kyongsang-pukto, was held responsible for discharging 325 tons of phenol, a cancercausing material, into the Naktong River which supplies piped water to nearly 10 million people.

The collective movement was spearheaded by social organizations in Taegu, the nation's third largest city, where millions of citizens have suffered from offensive odor in tap water for nearly 10 days.

Seven organizations such as the Taegu branch office of the Citizens' Coalition for Economic Justice, YMCA and YWCA launched a joint protest rally at a downtown Catholic center yesterday to demand compensation and punishment against those responsible.

Before holding the rally at 6:30 P.M., members of the organizations gathered at a downtown street in front of the Taegu Department Store and marched some three kilometers to the Catholic Center. The organizations called on citizens to refuse to pay tap water bills and boycott Doosan products.

They also vowed to launch a joint struggle until all problems concerning tap water are settled. Some downtown pubs and stores already are joining the citizens' drive by removing OB Beer from their shelves.

Obstetric and gynecology clinics are receiving calls from pregnant women who are anxious about possible abnormalities of their unborn children. A hospital official said that he had been called by three to five women daily asking about the influence of phenol on unborn infants. Accurate responses cannot be given due to a lack of research data, he said.

Meanwhile, representatives of 10 citizens' bodies in Seoul issued a statement after meeting at the YMCA building in downtown Seoul. Criticizing the factory for discharging waste water containing phenol, the statement asked citizens not to buy Doosan products.

The civic groups planned to hold a hearing on the safety of tap water tomorrow by inviting Doosan Group officials, government officials and anti-pollution activists.

Massive boycotts of products manufactured by pollution-causing companies is regarded as a strong punishment against companies in a nation where such collective movement has not existed in the past.

Meanwhile, Doosan group chairman Pak Yong-kon pledged to donate 20 billion won to the Taegu city government, asking it to use the money to fight pollution.

Saying that the donation is meant to finance part of the cost for the restoration of the environmental damage, Pak added that his company is now studying ways to deal with compensation to deserving individuals.

Polluters Considered 'Criminals'

SK2503082191 Seoul YONHAP in English 0733 GMT 25 Mar 91

[Text] Seoul, March 25 (YONHAP)—The government, announcing an overhaul of the inspection system for better environmental protection, warned polluters Monday that they will be treated as serious criminals.

Major changes include weekly instead of monthly water quality checks, joint government-prosecution inspections of all major industrial complexes and priority installation of self-checking systems at approximately 160 water purification plants.

Proposals include special loans to help small businesses pay for anti-pollution facilities and the introduction of pollution prevention taxes.

The government review follows a major national crisis caused by serious contamination of a river that supplies drinking water to nearly 10 million people.

Doosan Electro-magnetics Co., a subsidiary of a leading conglomerate, the Doosan group, was accused last week of dumping some 325 tons of phenol into the Naktong River, which stretches through South Kyongsang Province in the southeast, contaminating the water with dangerous levels of the cancer-causing chemical.

The illegal discharge began in November and went unnoticed until March 16, when citizens in Taegu complained of foul-smelling tap water. An Ung-mo, home affairs minister, Yi Chong-nam, justice, and Ho Namhun, environment, hastily prepared a solution and reported to President No Tae-u in a special meeting.

No ordered the cabinet to use all means necessary and told his staff to remind themselves of the importance of environmental problems.

"There is a grave lack of expertise in solving water contamination," No said. "The government should immediately correct the situation under the prime minister's leadership."

The environment minister promised to put up water quality controllers at all purification plants and to dispatch experts who can react promptly at the first sign of contamination.

The level of phenol permitted in discharged water will be reduced by more than half from 5 ppm (parts per million) to 2 ppm, Ho said.

Checks on phenol will be strengthened at all four major rivers and a new 15-member anti-pollution team will be on full alert at Kumi industrial complex, a major industrial site that discharges chemicals directly into the Naktong River.

In areas where contamination is high, construction of new factories will be restricted, he said.

The home affairs minister pointed to the lack of financial support for anti-pollution facilities. The national treasury hardly covers installation costs, and the companies who have the facilities are not operating them, he said.

Pollution inspection duties are ineffectively divided between the environment ministry and local administrations, and violators are able to escape punishment by paying fines, An said.

The justice minister blamed the Naktong River contamination on negligence by the company and government environment officials and on legal loopholes, pledging strict enforcement of the law in the future.

Government-prosecution inspection teams will uncover falsified records on chemical discharges and seek out government employees who know about illegal dumping but stay silent, Yi said.

The parent firm as well as the company directly responsible for the dumping will both be penalized, and the company will bear the full compensation for all damages, he said.

Prudent Purchase of 'Ultramodern' Weapons Urged

SK2503143391 Seoul CHOSON ILBO in Korean 25 Mar 91 p 2

[Article by administration affairs reporter Kim Chang-su, entitled "Battle for Weapons Sale" from the "Reporter's Notebook" column]

[Text] The United States and European countries displayed various ultramodern weapons during the recent Gulf war. These nations are waging a fierce sales promotion campaign, considering the Third World as their major client.

We may say that the market effects of the Gulf war are now expanding, going beyond the Middle East area. Our country cannot be the exception in feeling such effects. We can note this from the fact that foreign diplomats and defense industry officials from these countries have been frequently visiting our Ministry of National Defense [MND] and Joint Chiefs of Staff [JCS] recently. It was reported that the French ambassador to the ROK showed "an extraordinary interest" in our defense industry when he made a farewell call on the MND a few days ago.

In early March, the Messerschmitt-Bolkow-Blohm [MBB] Company, a German aviation industry firm, held a "briefing on Tornado ECR fighters" in a downtown hotel with the participation of relevant MND and JCS officials.

The JANE'S DEFENSE WEEKLY, a British weekly magazine specializing in military affairs, reported in a recent issue that the ROK Navy is pushing for the purchase of a new type of submarine and maritime patrol aircraft. A rumor is going abroad that the ROK is in the market for "Patriot" missiles, whose power was displayed during the Gulf war.

There is another rumor that the ROK is also studying the introduction of U.S.-made M1A1 tanks, which also showed their enormous power during the four-day ground battle.

Concerning the next-generation fighter project, which is nearly in the final stage after being completely reviewed, Mcdonnell Douglas and General Dynamics, rival companies, are waging a fierce propaganda campaign over the role and activities of F/A-18 and F-16, their respective products, in the Gulf war.

The weapons sale promotion campaign by the victorious countries is being waged on this land in a clandestine and silent manner. The Gulf war, which was called a high technology war, made one realize again the importance of ultramodern electronic equipment and most modern weapons in modern warfare.

Therefore, the issue of securing such weapons that fully displayed their capabilities in a real war should, by no means, be overlooked or be separated from the work of increasing the fighting power of the military forces.

However, the Gulf war gave a lesson about the end of Saddam Husayn and Iraq, which indiscriminately purchased foreign weapons by wasting enormous amounts of the nation's money, which was earned from selling oil, and which dashed only along the path of military expansion.

We call on the defense authorities not to commit the foolish act of equating the purchase and accumulation of ultramodern weapons merely with military expansion and national security.

Burma

Rangoon Army Chief Speaks to Security Personnel

BK2403114091 Rangoon Burma Television Network in Burmese 1330 GMT 23 Mar 91

[Text] Major General Myo Nyunt, commander of Yangon [Rangoon] Military Command, addressed a meeting of personnel from the Army and the People's Police Force who are in charge of security for the 46th Defense Services Day. The meeting was held in the conference hall of the presidential compound on Ahlone Road at 1300 today.

In his address, the commander said the reason he had called in the security personnel for a meeting today was to explain some points that should be understood so that the 46th Defense Services Day, which is to be held soon [27 March], can be celebrated in a disciplined and successful way. To accomplish a task, our Defense Services need to understand the four basic points—about the enemy, ourselves, the region that we are responsible for, and the people in that region.

Regarding the enemy, it must be noted that insurgents have emerged since the independence of our country in 1948, and there are a negligible number of them left at the border areas because our soldiers have been fighting them at different frontlines, and these insurgents are on the verge of elimination.

Following the 1988 incident, due to instigation by the people who only think of gaining power, there were youths who went into the jungles. In addition, the parallel government of exiled Sein Win, who wants to gain power through the short route and is under the influence of KNU's [Karen National Union's] Nga Mya [derogatory term for KNU leader Bo Mya], is also in the jungles. We can see that these organizations are resorting to all means to break up the unity within the Defense Services and the police.

Leaders of some political parties today once belonged to the Defense Services. Although they once talked about the spirit of loyalty to the Defense Services and to the senior officials, these very people today are being ungrateful to their seniors and are trying to break the Defense Services by creating bad blood and sowing the seeds of dissension. This being the case, our Defense Services has been countering them with the slogans: Those who destroy the Defense Services are our enemy! and, We will not accept the plot to destroy the Defense Services!

We have joined the Defense Services voluntarily and not because we were forced to under the national service law. While on this point, I wish to recall the speech given by the Defense Services chief of staff on 6 November 1969. He said: Young soldiers in our forces are working very hard under very tiring conditions in the remote border areas, and they are risking their lives while doing so. We are not taking such risks merely for the sake of earning a living but because of our understanding that we must make sacrifices and even die for our country. If we do not undertake such tasks, the country will go to the dogs and be enslaved again. That is why we are doing what we are doing now.

Considering what our soldiers are doing today, we can see that that advice still holds true. Today, the majority of the people understand what the Defense Services are doing and we have therefore been supporting and helping them. We can see that this is true from the fact that traditional boat races and religious festivities aimed at raising the national spirit are now being held peacefully with pomp and mass participation. It is only those people who belong to the aboveground and underground insurgent organizations and those who have joined hands with the enemy because they want power, who are opposed to the Defense Services. Security personnel who are to undertake security tasks should thoroughly understand themselves, the enemy, the people, and the region they are in charge of. Only then will they be successful in carrying out their military and security tasks.

Continuing, the commander said the Defense Services cannot be divorced from discipline. Since no military force can be proven to be capable without strict and tough discipline, it is essential to observe discipline. Discipline is not just a restraining order to prevent people from doing things that should not be done, it is instead an impetus that encourages people to do things that should be done.

Regarding leadership, the commander in chief of the Defense Services, Senior General Saw Maung, said on 21 February 1990 that a recognized leader is not just someone who is capable but must be someone who is virtuous and extremely good in moral character. He said the quality of a national leader is not easily or cheaply attained. It is essential that leaders accept this advice and practice it accordingly. By leaders, I mean everyone who has responsibility at all levels, including group leaders, and from unit leaders upward.

We cannot allow the Defense Services to be blemished because of us in our time. Accordingly, he said in conclusion that in order to successfully hold our Defense Services Day, security personnel should carry out their assigned duties well. They should conduct searches and examinations in the assigned security blocks systematically and in a disciplined manner and also help the people move about peacefully.

Operations in Southeast Military Command Launched

BK2503153991 Rangoon Domestic Service in Burmese 1330 GMT 25 Mar 91

[Text] The Defense Services, joining hands with the people, launched Operations Zwe Aung Hein and Nagamin in areas in the jursdiction of the Southeast Military Command. As a result, 112 major battles and 1,147 minor engagements took place between 21 March 1990 and 20 March 1991.

On 22 March 1990, over 300 Mon insurgents under the 333d Battalion of the NMSP [New Mon State Party] headed by Nai Myint Swe, using heavy weapons, made a simultaneous attack on the Township People's Police Camp, the Ye Yegu Bridge Camp, and the 61st Infantry Regiment Headquarters in Ye town, Mon State. Of these insurgents, about 70 entered Ye town from the northern side and fired on innocent people. A company belonging to the 61st Infantry Regiment in Ye and an armored unit fought back in defense. Our heavy weapons were used to fire at enemy positions. At the same time, a Defense Force column marched on the town's center to join in the fight. The enemy force was made to retreat in small groups. Four of our soldiers laid down their lives for the country while 14 others were wounded. We found 43 enemy corpses and captured 37 assorted weapons, one walkie-talkie, and some ammunition.

On 26 October 1990, while a small Defense Force column was conducting an area clearing campaign in Pa-an Township, Karen State, it clashed with about 15 Karen National Union [KNU] insurgents near (Naungtamyaing) village. We found four enemy corpses and captured four weapons in this campaign. As our force pursued the retreating enemy, there was one more engagement in which two more insurgents were killed. Two small arms were captured in the battle.

A Defense Force column conducting an area clearing campaign in Bilin Township, Karen State, arrived near (Ta-o Khi) village on 17 October 1990, where it clashed three times —once with about 10 KNU insurgents, another time with about 13 KNU insurgents, and again with about seven KNU insurgents. There were no casualties on our side while the enemy suffered six dead. We also captured two small arms.

On 17 November 1990, acting on information supplied by the local people, a Defense Force column raided deserted (Byama-hta) village in Hlaingbwe Township, Karen State. It clashed three times with about 50 KNU insurgents. The enemy retreated in small groups. We suffered no casualties while five enemy soldiers were killed. We captured four small arms, 21 assorted mines, and some ammunition.

On 20 January 1991, our Defense Service columns launched an attack on the 200-strong camp of the MNDA [expansion unknown] Mon insurgents headed by Nai Win Yoe near Yadanabon mines in Bokpyin Township, Tenasserim Division. There were eight engagements, including two major battles, before the camp was overrun in this campaign. One soldier on our side laid down his life for the country while four others were wounded. We killed 10 enemy soldiers and also captured 82 weapons, including a 57-mm recoilless rifle and a 60-mm mortar; 29,085 rounds of small arms ammunition; 140 assorted explosive shells; 123 assorted mines; and a communications set.

On 10 March 1991, our Defense Services columns made a simultaneous assault on Point 2709 Camp where about 60 KNU insurgents were stationed and Point 2336 Camp where about 30 KNU insurgents were camped in (Phaw-ta) region in Papun Township, Karen State. The insurgents belonged to the Papun District Administrative Unit and the 20th Battalion under the 7th KNU Brigade. There were fierce engagements before the enemy camps were successfully occupied by the Defense Services. In this campaign, 18 soldiers from our side were wounded. We found 13 enemy corpses and captured 35 heavy weapon shells, seven assorted mines, and some ammunition.

Hence, in the battles fought between 21 March 1990 and 20 March 1991 in areas in the jursdiction of the Southeast Military Command, a total of 609 insurgents were killed, 64 were captured, and 116 of them surrendered.

We captured 431 assorted weapons, including one 60-mm mortar and one 57-mm recoilless rifle; 490 rounds of assorted heavy weapon shells; 41,134 rounds of small arms ammunition; 415 assorted magazines; 87 hand grenades; 402 assorted mines; 39 slabs of explosives; 603 detonators; 17 Icon communication sets; six engines; 39.15 viss [one viss equals 3.6 pounds] of lead; 153.6 tons of timber; 804 teak logs; 1,390 sawn teak; 596 teak door frames; six sawing machines; 50 baskets [one basket equals about a bushel] of paddy; 100 baskets of rice; two bulldozers; five tractors; 26 motorcars; two motorcycles; one rice mill; five generators; 5,920 baht in Thai currency; 429,010 kyat in currency; 82 heads of cattle; two elephants; and 53 fish poaching vessels.

Radio Reviews Anti-Insurgent Campaign in East

BK2503144591 Rangoon Domestic Service in Burmese 1330 GMT 25 Mar 91

[Text] The Defense Services, joining hands with the people, launched Operation Kyaw Naing Soe in areas under the jursdiction of the Eastern Military Command. As a result, three major battles and 401 minor engagements took place between 21 March 1990 and 20 March 1991.

On 9 May 1990, following information provided by the local people, a small Defense Force column, which was conducting an area clearing campaign in Loikaw Township in the jurisdiction of the Eastern Military Command, conducted a raid on (Bain Chet) village. During the raid, it clashed with about 50 Karenni insurgents belonging to the KNPP [Karenni Progressive Party] and headed by Kyaw Win. We suffered no losses in this campaign and found five enemy corpses, including that of Kyaw Win. We also captured five small arms, two walkie-talkies, and some documents.

On 25 July 1990, on receiving information from the local people that about 50 insurgents belonging to the No. 2 KNPP column headed by Le Reh was in (Kyekogyi) region in Loikaw Township, a Defense Services column conducted a sweeping campaign. The column clashed with the insurgent group near Dawku-li village. We suffered no losses in this campaign and found five enemy corpses. We also captured two small arms.

On 1 August 1990, following information provided by the local people, a small Defense Force column conducted an area-clearing campaign near Kunkeng village. In the process, our soldiers clashed with a combined force of 20 insurgents belonging to the SURA [Shan United Revolutionary Army] Shan insurgent group and the PNO [Pa-o National Organization] White Pa-o insurgent group. We suffered no losses in this campaign and killed four insurgents. We also captured five assorted small arms, two walkie- talkies, and some ammunition.

On 4 September 1990, while a Defense Force column was on a mopping up campaign in Pasawng Township, it clashed with about 80 KNPP insurgents on arrival at (Padichaungson). The insurgents broke up into small groups before retreating. We found six enemy corpses but our side suffered no casualties. We captured one firearm, 35 huts, and about 30 logs.

On 12 January 1991, while conducting an area clearing campaign in Hsi-hseng Township, southern Shan State, a Defense Force column clashed with about 80 PNO insurgents near Loi-long village. Three of our soldiers laid down their lives for the country in this encounter while three others were wounded. We killed 12 enemy soldiers and also captured two small arms.

Hence, in the battles fought between 21 March 1990 and 20 March 1991 in areas in the jursdiction of the Eastern Military Command, a total of 209 insurgents were killed, 50 were captured, and 163 of them surrendered.

We captured 330 assorted weapons, including two 82-mm mortars, one 75-mm recoilless rifle, and a 60-mm mortar; 18 rounds of heavy weapon shells; 27,194 rounds of small arms ammunition; 274 assorted magazines; 21 hand grenades; 294 assorted mines; about 184 feet of fuse; five communication sets; 12 walkie-talkies; three bulldozers; one car; 1,003,050 kyat in currency; 1,362 heads of cattle; 10 mules; 275.14 kg of opium; 4.73 kg of cooked opium; and 143 gallons of chemicals.

Brunei, Malaysia & Singapore

Malaysia

Deputy Premier Views SRV Trade Opportunities

BK2603091091 Kuala Lumpur International Service in English 0600 GMT 26 Mar 91

[Text] Vietnam is offering opportunities to Malaysian businessmen. Deputy Prime Minister Mr. Ghafar Baba says although existing trade between the two countries is still small, there is great potential in Vietnam, which has a population of 75 million people. The Foreign Ministry has been asked to act as coordinator to study all aspects related to two-way relations between the two countries for consideration by the cabinet.

He told reporters this in Kuala Lumpur. Mr. Ghafar earlier received the vice chairman of Vietnam's State Planning Committee, Mai Ky, who is leading a delegation to the week-long Malaysia-Vietnam bilateral talks, which began yesterday. Mr. Ghafar said a Vietnamese delegation, which includes experts in various fields, reiterated Vietnam's request for Malaysia's expertise and rubber estate management. Vietnam also asked for assistance in production of high-quality rubber, cooperation in central bank operations, exchange of experience in environmental management, telecommunications, and the electronic field.

Mr. Ghafar also said Vietnam is encouraging the use of palm oil and proposes to import fertilizers from Malaysia. The national oil corporation Petronas has agreed to supply between 200,000 and 300,000 barrels of refined oil a year to Vietnam.

Vietnam has also asked Malaysia to consider importing Vietnamese broken rice, which is suitable for producing animal feed.

Closer Economic Cooperation With SRV Hailed

BK2603105091 Kuala Lumpur International Service in English 0800 GMT 26 Mar 91

[Station commentary]

[Text] Malaysia's remarkable economic growth rate continues to attract the attention of other developing as well as newly developing countries. Currently on a visit to Malaysia is a seven-man delegation from Vietnam led by State Planning Commission's Vice Chairman Mr. Mai Ky. The weeklong visit is aimed at increasing bilateral economic cooperation and its growing potential business deals between Malaysia and Vietnam.

The talks are to include discussions on Malaysian imports of rice from Vietnam, exports of Malaysia's palm oil, rubber and other commodities as well as Malaysian participation in Vietnam's petroleum, agricultural and manufacturing industries. Above all, Vietnam, which has expressed admiration of Malaysia's impressive growth rate and experience in many fields, is keen on transfer of technology from Malaysia, especially in the fields of rubber and palm oil cultivation and the petroleum and electronics industries.

Malaysia's trade links with Vietnam go back many centuries but were severed during World War II. That was followed by the international isolation of Vietnam after it invaded Cambodia and Malaysian businessmen were deterred from venturing into Vietnam. Following signs of Vietnam's willingness to withdraw from Cambodia, businessmen from other countries, especially Singapore and Thailand, started making their presence known in Vietnam, giving them a head- start over their Malaysian counterparts. However, now with Vietnam showing increased interest in establishing closer economic cooperation with Malaysia and with continued encouragement from the Malaysian Government, this country's enterpreneurs are becoming keenly aware of the vast business opportunities in Vietnam with its market of 75 million people. In fact, several Malaysian agencies and organizations in both the private and public sectors have already established trade and business contacts between both countries.

Nevertheless at present Malaysia's trade with Vietnam is considered small—accounting for only 8.1 percent of its total global trade, and it is very much in Vietnam's favor in the ratio of 3 to 1. The government is taking active steps to redress this imbalance. Besides easing the previous fixed regulations on business to Vietnam, the Malaysian Government has promised the country's businessmen to help them strengthen their presence in Vietnam.

Malaysia has shown her willingnees to help Vietnam to reconstruct its economy. The two countries have agreed to solve outstanding problems in their relations on the basis of mutual understanding and the true spirit of traditional friendship and good neighborliness. In this respect, they have pledged to cooperate with each other and with other countries in the region to build Southeast Asia into a region of peace, freedom and neutrality and friendship and cooperation. This will undoubtedly be of immense benefit to all their peoples in this period of increasing competitiveness and economic survival.

Mr. Mai Ky is a top Vietnamese official to come to Malaysia after a visit last month of Vietnam's First Deputy Premier Vo Van Kiet and previous to that its Prime Minister Pham Van Dong a few years ago.

There is every confidence that the current visit by the Vietnamese delegation would lead to greater enhancement of bilateral trade and economics as well as friendly ties between both countries.

National Carrier To Fly to Beijing, Taiwan

BK2503093691 Kuala Lumpur International Service in English 0800 GMT 25 Mar 91

[Text] Malaysia Airlines, MAS, is going ahead with its expansion plan for the 1991 summer schedule with the launching of its two new destinations—Beijing in China and Kaohsiung in Taiwan. For the end of the Gulf war and the increasing traffic, MAS will also resume its European and West Asian services and increase frequencies to several international and domestic destinations.

MAS said in a statement today that the Beijing service would commence on the 31st of this month subject to government approval. It will operate twice weekly on Tuesdays and Sundays via Guangzhou using a DC-10 aircraft. However, from 1 May the flight to the Chinese capital will operate only on Sundays.

The twice-weekly service to Kaohsiung will begin on 1 April using the B 737-400 aircraft. It will operate on Mondays and Wednesdays via Kota Kinabalu.

From 31 March, the national carrier will also resume all the 15 London- European services which were reduced to 12 during the Gulf war. The flights on this sector will be rerouted through the Dubayy Airport instead of New Delhi.

Razaleigh Allies in Kelantan Defect to UMNO

BK2403145291 Hong Kong AFP in English 0801 GMT 23 Mar 91

[Text] Kuala Lumpur, March 23 (AFP)—Two senior officials of the opposition Semangat '46 (Spirit of '46) Party have resigned over the past week to rejoin Prime Minister Mahathir Mohamad's United Malays National Organisation [UMNO], UMNO officials said Saturday.

Ibrahim Ali, an MP from Kelantan State who headed the youth wing of Semangat '46, resigned to take a "more moderate approach" following his party's defeat in elections last October, he was quoted as saying.

His resignation followed that of former MP Radzi Sheikh Ahmad, the Semangat '46 leader in Perlis State, earlier this month after his refusal to contest last year's general election as an opposition candidate.

Mr. Radzi has applied to rejoin UMNO, while Mr. Ibrahim, who will temporarily sit as an independent in the 180-member Dewan Rakyat, the lower house of parliament, will rejoin UMNO soon, political sources said.

Both had been members of UMNO—Malaysia's largest political party, dominating the ruling 10-member National Front coalition—prior to a 1987 split in its ranks.

Kelantan State is ruled by a coalition of the fundamentalist Parti Islam and Semangat '46 led by Dr. Mahathir's archrival, Tengku Razaleigh Hamzah, a former trade and industry minister.

Sabah is ruled by the Christian-led Parti Bersatu Sabah, another Razaleigh ally.

Analysts said the defections from Semangat '46 were a major blow to Mr. Razaleigh's hopes of reviving the party to present it to ethnic Malay voters as a legitimate alternative to UMNO.

They said that the defections were, however, not unexpected following the party's dismal showing in the general election when it won only eight seats in the federal parliament.

More Allies Defect to UMNO

BK2403151291 Kuala Lumpur Domestic Service in Malay 1430 GMT 24 Mar 24 Mar 91

[Text] In Pasir Mas, Kelantan, seventeen more leaders of a division of the Spirit of '46 Party [breakaway faction of the United Malays National Organization] there were today reported to have quit the party. They are said to have supported the decision by Haji Ibrahim Ali, head of the party's youth movement, to do so two days ago. Mr. Kamaruddin Abdullah, spokesman for the group, said they comprised six members of the division's committee, seven members of the women's committee, and four members of the youth committee. Yesterday, 16 leaders of the Spirit of '46 Party's [Pasir Mas] Division—six members of the division's committee and 10 members of the division's youth committee—quit their posts and declared their withdrawal from the party.

Exiled Communist Party Chief Applies for Return

BK2303064091 Kuala Lumpur BERNAMA in English 0557 GMT 23 Mar 91

[Text] Kuala Lumpur, March 23 (OANA-BERNAMA)—Communist Party of Malaya (CPM) leader Chin Peng has applied to the Home Ministry to return to Malaysia, the deputy minister confirmed Saturday.

Megat Junid Megat Ayob said Chin Peng's application was among 1,100 applications received by the ministry from ex-CPM guerillas. He told reporters here that 400 of them were being called up for interview by ministry officials to get more details.

The deputy minister confirmed a foreign news agency report that Chin Peng and several hundred other Malaysian-born ex-CPM guerillas had [words indistinct] return to Malaysia. The CPM had laid down arms under an agreement signed with the Malaysian Government in Hat Yai in south Thailand over two years ago, ending its 41-year armed struggle in Malaysia.

Chin Peng, 68, was reported to be interested in forming a political party in Malaysia in line with the parliamentary system but he admitted that it would be (?difficult).

Early last month, Megat Junid had that said if Chin Peng wanted to return, he (?had) to undergo rehabilitation for his own safety and that he could not go straight into politics.

Megat Junid said today that the CPM was still banned and the government [words indistinct] trying to promote communism.

Asked on reports of attempts to undermine the country's economic and political stability by [words indistinct] campaign, he said that both foreign and local [words indistinct] involved. "We have identified some of these local elements and have given them stern warning," he added. [passage indistinct]

As for the foreign elements, he said the government (?cannot) allow itself to be perturbed by false reports.

Government: No Plan for Return

BK2503093891 Kuala Lumpur International Service in English 0800 GMT 25 Mar 91

[Text] The government has no plan yet to introduce a scheme to enable the 400 former Communist Party of Malaya, CPM, members who have applied to return home to rebuild their life. Deputy Home Minister Datuk Megat Junid Megat Ayob said the government is now concentrating on rehabilitation through detention camps to ensure that they genuinely reject the communist ideology and not become communist agents. The process is important and a big responsibility of the government before it can consider other matters. Datuk Megat Junid told reporters this in Teluk Intan, Perak.

Last Saturday, he said the government had recieved 400 applications from former CPM members to return to Malaysia and they were being interviewed. They are part of the 1,100 CPM members who laid down arms following the signing of a peace agreement between the Malaysian and Thai Governments and the outlawed CPM in Hat Yai on 2 December 1989.

Singapore

Malaysian Minister Views ASEAN Arms Buildup

BK2303153991 Kuala Lumpur Domestic Service in Malay 1430 GMT 23 Mar 91

[Text] Defense Minister Datuk Sri Najib Tun Razak says Malaysia does not view a military buildup by ASEAN member countries as an arms race. He said each ASEAN country must build its own defense force based on a proper ASEAN attitude, adding that Malaysia basically views each ASEAN country's military buildup as an effort to strengthen ASEAN's overall security. Such a buildup is a positive move as long as these countries pursue the basic policy of safeguarding the security, harmony, and stability of the region.

Datuk Sri Najib made these remarks after visiting the 1991 Asian Defense Exhibition in Singapore. He pointed out that the symbiotic relations between Malaysia and Singapore will progress toward something even more positive in the years to come. Both countries share the same security interests and are interdependent in many ways.

Singapore Second Minister for Defense Dr. Yeo Ning Hong hosted a dinner banquet in honor of Datuk Sri Najib this evening.

SAF Forms First Combined Arms Division

BK2203160991 Singapore THE STRAITS TIMES in English 22 Mar 91 p 3

[By Mathew Pereira]

[Text] The Singapore Armed Forces [SAF] has formed its first combined arms division, a move which will give the military's largest fighting formation more muscle and firepower.

Under the regrouping of combat land forces, armour, combat engineers, artillery, signals and reconnaissance as well as logistics and medical units will be integrated with the infantry in the 3rd Singapore Infantry Division to form the 3rd Singapore Division.

There will also be a mix of active and reserve units in the combined arms division, underlining the importance of reservists operating with active national servicemen and regulars to fight as one force.

Chief of Army, Brigadier General [BG] Ng Jui Ping, yesterday officiated at the inauguration of the division.

There was a parade of 500 men from the division and a drive-past of 60 vehicles, including SM1 tanks, M-113 armoured vehicles and FH-88 guns.

Speaking at the ceremony, BG Ng said the evolution of the land forces came about after more than 20 years of learning in land forces defence.

"It signifies the army's readiness to explore new frontiers in land force development and citizen army concepts," he said.

Before, the SAF's infantry division had peacetime command of only infantry brigades. It was only during exercises that support arms units like the armour artillery and engineers were attached to the division.

But now all these support arms units are made an integral part of the division.

The new division will have under its command two infantry brigades, one armour brigade and combat engineer, artillery, signals and reconnaissance battalions backed by logistics and medical battalions.

The 3rd Division, as the first combined arms division, will be the spearhead. But in the next few years, the two other divisions of the SAF, the 6th and 9th Division, will also be converted to combined arms divisions.

On the philosophy behind the concept, BG Ng said: "Modern land battle is all about integrated manoeuvre and firepower, and not about whether it is the infantry or the artillery that should be the queen or king of the battlefield," he noted.

He cited the recent Gulf war as an example where the armies were organised along the combined arms concept: "More and more so, as the recent conflict in the Persian Gulf re-demonstrates, land defence is about combined arms proficiency.

"And combined arms proficiency is about officers, NCOs [Noncommissioned Officers] and soldiers, systems, doctrines and weaponry, that can operate in integral fashion across all arms."

One advantage of the concept is that all officers will henceforth "think combined arms". This will lead to better understanding among officers from the different arms units and a more effective SAF.

Another significant change: Reservists will stand shoulder-to-shoulder with active soldiers in the combined arms division.

BG Ng said this was an acknowledgment of the coming of age of the reserve forces. This way, reservist officers will be able to interact with active units and commanders for mutual learning and support. The army can only benefit from a mixed structure, he said.

In March last year, Brig-Gen. (Res) Lee Hsien Loong, while speaking in Parliament, touched on why the SAF was going for divisions which will have a mix of active and reserve units. He said that while it was good to have a division made up of only active personnel, the two reservist divisions, 6th and 9th Divisions, had never quite felt in the "frontline" with the 3rd Division standing in front of them.

On the timing of the introduction of this concept, BG Ng said it had been guided by projections of the declining national service intakes in the coming decade. He said: "This must mean smaller battalions if we are to keep to the same number of battalions and divisions."

He added that with greater mobility and firepower in each division, the end result will be as effective—if not more effective—divisions.

More TV Channels, Satellite Dishes Allowed

BK2203154591 Singapore THE STRAITS TIMES in English 22 Mar 91 p 1

[By Cherian George]

[Excerpt] Singapore may have two or three more television channels within a year, perhaps on a subscription basis, Brigadier-General George Yeo announced yesterday.

In addition, all institutions—but not households or hotels—can apply for annual satellite-dish licences from May 1, provided their applications are supported by the Monetary Authority of Singapore or the Economic Development Board.

Speaking during the debate on the Budget for his Ministry of Information and the Arts (Mita), the acting minister also announced that the much-awaited film classification system will be implemented from July 1.

Aside from a general category, covering the kinds of films currently allowed, there will be a "restricted" category, much like the ones found abroad where only people above a certain age may be admitted to view those films. But X-rated films are still out, he stressed. BG Yeo's announcements came at the end of nine days of debate on the Governments' Budget for the fiscal year beginning April 1.

The overall Budget of $15.8 billion was approved by Parliament yesterday after it had completed its examination of the allocations for the Health Ministry and Mita.

Responding to Mr. Yatiman Yusof (Tampines GRC [Group Representative Council]) and NMP [Nominated Member of Parliament] Maurice Choo, who had spoken about the flow of information in the new technological age, he said that this was something that could not be avoided. "Regulations are being eroded by technology, we have to adjust and adapt in order that our positions can be held," he said.

The Government decided last month, during the Gulf war, to grant temporary satellite licences to financial institutions to allow them instant access to market-sensitive information. The offer of an annual licence, costing $1,000, was now being extended to other institutions, government ministries and statutory boards.

"In this way, we make sure that the information needs of the business community and the Government are fully met", he said. But hotels and households would not be eligible because this was a more complicated matter involving values and entertainment.

"I mean, imagine if one day someone were to put a 'porno' channel up there and all Singaporeans are able to receive it. Is that good for us or is that not good for us?" he said. "I know one day it may not be possible to regulate, but for as long as it is possible... let's have some controls in place."

BG Yeo added that for controls to work, there must be wider choices for the public. Hence the scheme to introduce more TV channels. He said many of them would be pay channels, charged on a subscription basis, so that they could meet the needs of specific segments of the community.

"Within a year I would expect that we will be able to put out two or three more UHF channels and later on we can move into microwave and into cable." The UHF (ultra-high frequency) band now carries only Malaysia's TV3. Microwaves need special antennae for reception. Cable brings programmes into homes via cables plugged into TV sets.

BG Yeo did not say what programmes the extra channels would have. But it is likely that one would carry CNN [Cable News Network], the American all-news service now aired on Channel 12 for three hours a day.

Another probability is the British Broadcasting Corporation's World Service TV [WSTV], to be launched this year. A Mita spokesman told THE STRAITS TIMES recently that it would probably negotiate an arrangement with WSTV. [passage omitted]

Cambodia

Army Officer: U.S. Arms Under Pol Pot Control

BK2603133291 Phnom Penh Domestic Service in Cambodian 1100 GMT 26 Mar 91

[Text] The Ministries of National Defense and Foreign Affairs cooperated in organizing a ceremony at the 13 October Hotel on the morning of 25 March to present to the press seven Polpotist prisoners of war and a quantity of arms and war materiel captured by our Cambodian People's Armed Forces [CPAF] from the battlefields of Western Cambodia.

Taking part were Colonel Kim Chan, deputy chief of the CPAF General Political Department, Comrade Chum Bunrong, chief of the Foreign Ministry's Press Department, and several representatives of friendly embassies accredited to Cambodia as well as domestic and foreign journalists and TV cameramen.

On that occasion, Col. Kim Chan said that those assorted weapons and war materiel constituted clear proof that the aid given by the United States and other Western countries to Sihanouk and Son Sann had fallen into the hands of the genocidal Pol Pot gang. He went on to say that the Sihanoukists and Sonsannians continued to cooperate with the genocidal Polpotists in sabotage and murderous activities against the innocent Cambodian people in an attempt to bring the genocidal Pol Pot regime back to power.

Col. Kim Chan stressed that the CPAF together with the Cambodian people throughout the country condemned the genocidal coalition and appealed to the U.S. Government to reexamine its stance toward the Cambodian people.

Col. Kim Chan also answered in detail questions raised by the representatives of the national and international media.

Lao Party's 36th Anniversary Celebrated

Heng Samrin Greets Leaders

BK2203065391 Phnom Penh Domestic Service in Cambodian 2300 GMT 21 Mar 91

[Text] On the 36th anniversary of the Lao People's Revolutionary Party [LPRP], Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP] Central Committee, sent a congratulatory message to the LPRP Central Committee. Here is the essence of the message.

On behalf of the KPRP Central Committee, party members, the working class, and the entire Cambodian people, we would like to convey fraternal greetings, cordial sentiments, and best wishes to the LPRP Central Committee, party members, working class, and the heroic Lao people. Since its birth, continuing the heritage of the Indochinese Communist Party, the LPRP has led the people to wage a persistent and resolute struggle against French and U.S. imperialism until scoring brilliant historical victories on 2 December 1975 by breaking the yoke imposed by imperialists and feudalists on the Lao people for nearly two centuries.

In the past 15 years, the Lao people have scored great victories in every field in national defense and construction. This is an active contribution to the common struggle for peace, stability, and cooperation in the region and the revolutionary cause of the three Indochinese countries for peace, independence, democracy, and social progress. The KPRP and the entire Cambodian people greatly rejoice and sincerely take part in celebrating the achievements scored by the fraternal Lao people, particularly in implementing liberal economic reforms worked out by the LPRP's Fourth Congress.

We are most happy to see that the fraternal solidarity and cooperation between the two parties and people, Cambodia and Laos, last forever and may the LPRP's Fifth Congress be crowned with brilliant successes.

Editorial Marks Anniversary

BK2203061391 Phnom Penh Domestic Service in Cambodian 2300 GMT 21 Mar 91

[PRACHEACHON editorial: "22 March, the Anniversary Day Most Significant to the Political Life of the Cambodian and Lao Peoples"]

[Text] The day 22 March this year is the anniversary of two major events in the political life of the Lao and Cambodian peoples. They are namely the 36th birth anniversary of the Lao People's Revolutionary Party [LPRP] and the 12th anniversary of the signing of the agreement on economic, scientific, and technical cooperation between the State of Cambodia and the Lao People's Democratic Republic [LPDR].

The two historic anniversaries are celebrated this year at a most significant time when the revolution of Cambodia and Laos is continuing to overcome all kinds of difficulties, tests, and trials and countless obstacles in the efforts to fulfill the task of defending and building the nation, pushing ahead the revolutionary cause, and advancing step by step, relentlessly, firmly, and with confidence in a bid to respond to the common trend of current development in the world.

The day 22 March has pioneered the correct advance of the Lao national society, a small country with a small population which, thanks to the leadership of the LPRP, has completely changed its outlook and where the people of all nationalities have become the true masters of their country's destiny and of their own destiny. During the 36 years under the leadership of the LPRP, the Lao revolution has won one victory after another, especially with the birth of the LPDR on 2 December 1975.

Implementing the spirit of new reforms in all fields of social life stipulated by the Fourth Congress of the LPRP, the Lao national society has reached a special new turning point where socioeconomic activities are being rehabilitated and well conducted and are having a positive impact on both internal and foreign policies.

The day 22 March has once again borne out the truth of the bonds of traditional solidarity, friendship, and cooperation between the Cambodian and Lao parties and peoples since the time the two parties sprang into existence from the same source: the Indochinese Communist Party. At present, the bonds of solidarity, friendship, and cooperation between the Cambodian and Lao parties, governments, and peoples are entering a new stage in the consolidation of their capacity, quality, and efficacy with the aim at creating new vitality for developing mastery in the Cambodian people's duty of coping with all tasks by themselves and the process of new reforms in Laos.

The day 22 March has once again reaffirmed the resolution of the Cambodian and Lao parties, governments, and peoples in the common efforts to promote an early finding of a political solution that would bring about a genuine and lasting peace on the basis of the defense of the Cambodian people's vital interests and of respect for the Cambodian people's sovereignty and right to self-determination with specific guarantees for the non-return of the genocidal Pol Pot regime.

The recent statement of the Lao Foreign Ministry on the settlement of the Cambodian problem condemned the military attacks by the Cambodian opposition factions against the State of Cambodia and appealed to the international community to exert greater efforts in pushing for a cease-fire and a cessation of foreign military aid to all Cambodian factions. Laos also solemnly declared that no foreign countries would be allowed to send arms through its territory to Cambodia and voiced readiness to sign all agreements in implementation of this spirit under UN control. This is another sincere and consistent contribution made by Laos in the search for a political solution for the Cambodian people.

On the historic anniversary of 22 March, the Cambodian party, government, and people would like to reiterate their profound thanks to the fraternal Lao party, government, and people who have always unreservedly supported our people's just struggle. We pledge to spare no efforts and to do everything to preserve and constantly expand and strengthen the bonds of close solidarity, friendship, and cooperation between Cambodia and Laos and among Cambodia, Vietnam, and Laos, continuing shoulder to shoulder to surmount all difficulties encountered on the road we have chosen in the progress toward realizing the brilliant final goal of our respective country.

Heng Samrin Departs for Lao Party Celebrations

BK2603050691 Phnom Penh SPK in English 0429 GMT 26 Mar 91

[Text] Phnom Penh SPK March 26—A top-level Cambodian party and state delegation led by Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea [PRPK] Central Committee and president of the State Council, left here today for Vientiane to attend the celebrations of the 36th anniversary of the Lao People's Revolutionary Party.

The delegation was seen off at Pochentong Airport by Chea Sim, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and chairman of both the National Assembly and the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland; Bou Thong, Politburo member of the PRPK Central Committe and vice-chairman of the Council of Ministers, and other senior officials.

Lao Ambassador to Cambodia Thongsoukhoun Phounsavan was also present.

To Attend 5th Congress

BK2603132891 Phnom Penh Domestic Service in Cambodian 1100 GMT 26 Mar 91

[Text] At the invitation of the Lao People's Revolutionary Party [LPRP] Central Committee, at 0900 on the morning of 26 March, a party-state delegation headed by Comrade Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party [KPRP] Central Committee and chairman of the State of Cambodia's State Council, left for Laos to attend the LPRP's Fifth Congress to be held soon in Vientiane.

Accompanying the general secretary were Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the Council of Ministers; Comrade Sar Kheng, member of the party Central Committee Political Bureau, chef de cabinet of the KPRP Central Committee, and chairman of the Central Organization Commission; Comrade Dit Munti, member of the party Central Committee and chairman of the Central Propaganda and Education Commission; Comrade Im Chhunlim, member of the party Central Committee and first deputy chef de cabinet of the KPRP Central Committee; Comrade Sok An, deputy foreign minister; and Comrade Uch Kim-an, deputy minister assistant to the chairman of the Council of Ministers.

Seeing off the delegation at Pochentong Airport were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of both the National Assembly and the Kampuchean United Front for National Construction and Defense National Council; Comrade General Bou Thang, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Say Chhum, member of the party Central Committee Political Bureau and standing vice chairman of the Council of Ministers; Comrade Mat Ly, member of the party Central Committee Political Bureau and vice chairman of both the National Assembly and the Central Control Commission; Comrade Gen. Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister; Comrade Men Sam-an, member of the party Central Committee Political Bureau and chairwoman of the Cambodian Federation of Trade Unions; Comrade Nguon Nhel, member of the party Central Committee Political Bureau and agriculture minister; Comrade Ney Pena, member of the party Central Committee Political Bureau and vice chairman of the Central Control Commission; Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of Phnom Penh City's party committee; and Comrade Kong Sam-ol, member of the party Central Committee and vice chairman of the Council of Ministers; as well as several leading cadres of party institutions, state authorities, mass organizations, and services and offices at the central level.

Lao ambassador to Cambodia Comrade Thongsoukhoun Phounsavan and acting charge d'affaires of the SRV to Cambodia, Comrade (Tran Son), were also present.

Commentary Criticizes Sihanouk's Beijing Appeal

BK2603050591 Phnom Penh Domestic Service in Cambodian 1300 GMT 25 Mar 91

[Station commentary: "Becoming Extremely Crazy"]

[Text] Recently in Beijing, Sihanouk has appealed calling on the UN Security Council and cochairmen of the Paris International Conference on Cambodia to pressure Vietnam to reduce the scale of war in Cambodia. The Cambodian people, particularly those living in remote areas near the Cambodian-Thai border suffering from the genocidal alliance's crimes—shelling, robbing, and killing—have expressed great indignation against such a gross act.

It is known to all during the past several months that Cambodian reactionaries in the genocidal alliance have launched large-scale offensives, using tanks and heavy weapons they have just received from abroad, storming remote villages and communes and shelling monasteries and villages, causing heavy losses of lives and property to our people.

As for the Cambodian People's Armed Forces, they have only carried out a self-defense mission to ensure the security of the people and their lives. Why has Sihanouk called for pressure on the people who are defending themselves? Why did he not say a word about the monks, nuns, children, and old people who were killed by the genocidal Pol Pot clique and his allies?

All these are nothing new to the Cambodian people and peace- and justice-loving world public opinion. During the past more than 12 years, Sihanouk only served as a smokescreen and puppet of the genocidal Pol Pot clique. Whatever the Pol Pot clique utters, even though unjust and untrue, Sihanouk has to echo that in a louder tone.

This appeal by Sihanouk is aimed at diverting the national and international attention from the hegemonist expansionists' supply of military aid to the genocidal alliance and its criminal activities.

Moreover, it is known to all that on 28 February, the Vietnamese Foreign Ministry issued a statement calling on the international community to take measures to prevent a civil war and accelerate the process toward seeking a peaceful solution to the Cambodian problem. It also called on foreign countries to implement together the U.S.- USSR initiatives dated 23 September 1990 concerning the suspension of military aid to the Cambodian factions and the ending of interference in Cambodia's internal affairs. This statement has been widely welcomed and supported internationally. On the contrary, Sihanouk has turned a deaf ear on this matter. He has even instigated his allies to intensify their offensives so as to continue massacring the Cambodian people.

This clearly shows that Sihanouk is becoming extremely crazy because instead of condemning those who have been kindling the flames of a civil war in Cambodia, he has called for pressure on those who have the goodwill and and who are trying to prevent a civil war in Cambodia. Such an act only makes the Cambodian people even more angry with Sihanouk.

Son Sann Interviewed on Beijing Meeting

BK2503093591 (Clandestine) Voice of the Khmer in Cambodian 2300 GMT 24 Mar 91

[Interview with Son Sann, president of the Khmer People's National Liberation Front and prime minister of the National Government of Cambodia, by unidentified correspondent, at the end of his recent visit to the PRC; date and place not given—recorded]

[Text] [Unidentified correspondent] I am the representative of the Voice of the Khmer [VOK] radio. My respects to Your Excellency Son Sann, president of the KPNLF [Khmer People's National Liberation Front] and prime minister of the NGC [National Government of Cambodia].

I have heard that your excellency has just concluded an important visit to Beijing, China, together with leaders of the other groups in the NGC. Could you please tell the Cambodian people about this important visit?

[Son Sann] Today, I am very happy to meet the VOK again. It has been a long time that I have not had any contact with the VOK radio. This morning, I had just returned from Beijing [words indistinct]. Now, I would like to say something in response to the VOK request.

There were three parties on this trip to Beijing: I went together with Prince Ranariddh and His Excellency Khieu Samphan. The three parties went there and returned together, thus reflecting our unity. Moreover, this Beijing trip was very significant because our three parties could meet under the chairmanship of Samdech Norodom Sihanouk and had also met the Japanese friends and the Chinese side.

I do not have to say more since the compatriots must have learned from the newspapers that at that time, the Russian side, Mr. Rogachev, was also present in Beijing. On the U.S. side, His Excellency Solomon was also there and met with Samdech Norodom Sihanouk. I still cannot elaborate on the details of this significance. For now, I can just inform the compatriots that the atmosphere is now very much better than before. That is, the five big powers and our three parties within the ranks of the resistance movement to liberate our Cambodia from the Vietnamese aggressors, were unanimous that the Big Five solution is now supported by all.

Thus, my answer to the VOK question is that the atmosphere is now good and we have more hope than before. How? It is because we have seen factors that can bring about the implementation of the Big Five solution.

The first factor is the war waged by the international community in Kuwait. Before the war broke out, I repeatedly appealed to the compatriots in Phnom Penh and in the three resistance groups that we should try to end the Cambodian problem as quickly as possible because if a big war took place in Kuwait or Iraq, the five big powers and all other countries would be busy with this big war, spending a lot of money and involving all their forces there. I was then afraid that all the big powers would be preoccupied with Kuwait and forget about the Cambodian problem. But we are still lucky because that war ended following only more than 100 hours of air bombardment [as heard]. Since this war has ended, the big powers have turned their attention back to our problem. Although [words indistinct], they have paid attention to quickly settling the Cambodian problem.

That is the first factor—the big war in Kuwait and Iraq has ended.

Second, I would like to inform all compatriots that the two cochairmen, His Excellency Ali Alatas and Edwige Avice from France, went to Hanoi to discuss the Cambodian problem. Although Hanoi has stubbornly refused to compromise on the settlement of the Cambodian problem in line with the Big Five solution, there is a very good factor, that is the two Indonesian and French cochairmen clearly informed Hanoi that no change to the Big Five solution can be made and that it must be fully accepted. Another point is that the two cochairmen plan to go to Phnom Penh this month. They (?have informed) Phnom Penh leaders that the settlement is possible only by fully accepting the Big Five solution and that no changes can be made.

Another factor is that Mr. Hun Sen has placed much hope on the atmosphere around Cambodia. Mr. Hun Sen should now come to realize that the atmosphere around Cambodia is marked by the fact that the six ASEAN nations have been unanimous that the Cambodian problem should be quickly settled in line with the solution worked out by the big five. Thus, Mr. Hun Sen should understand that his only hope would never come true. At present, all the neighbors want to help Cambodia, that is all Cambodian compatriots and not just Mr. Hun Sen alone. Mr. Hun Sen should know this. Therefore, the only choice for the Phnom Penh side is to quickly accept the solution for the Cambodian problem worked out by the Big Five so that our people will quickly regain happiness.

[Correspondent] Thank you, your excellency for mentioning the stance of the six ASEAN nations. Could you please comment on China's stance following your recent meeting with the Chinese leaders in Beijing?

[Son Sann] China was one of the Big Five which met one whole year last year in order to draft a solution for the Cambodian problem. As is known to all, the Big Five—the United States, the United Kingdom, and France for the free world; friendly China, and Russia—worked out this general solution following meetings held last year. This solution cannot be altered because the Big Five already approved it and the [words indistinct] and the entire United Nations have approved it, thus it cannot be changed. This is clear. The Paris International Conference on Cambodia [PICC] cochairmen also said so during their visit to Hanoi. Therefore, Vietnam has sought ways to prevent the implementation of this resolution. This is wrong. As Cambodians, we should not obey the Vietnamese. This is because the Big Five, the six ASEAN nations, and the rest of the world, including those countries involved in the Kuwait-Iraq war, want to help bring peace to our Cambodia. We, the Cambodian national resistance groups, have fully accepted this solution. We will accept whichever way the Big Five regard as suitable for settling the Cambodian problem. We would like to persuade Phnom Penh to also accept it so that our compatriots can enjoy peace. Refusing to accept this solution and continuing to fight on will only cause death among our Cambodian compatriots.

[Correspondent] Thank you, your excellency. Concerning the firm stance of the Hanoi authorities and the Cambodian group in Phnom Penh in persistently rejecting this UN peace plan, what is the opinion of the countries which are friendly to the KPNLF and used to help the Cambodian people, particularly China? Will they continue to support the Cambodian people's struggle?

[Son Sann] This is one point that I would like to talk about to the compatriots inside Cambodia. Some radios said that China has given aid, including arms, to the resistance. I must stress that in the past the Soviet Union used to help Phnom Penh and since China wants the Soviet Union to stop helping Phnom Penh, it said if the Soviet Union helps, China [words indistinct]. At present, we have not received any aid because Great China has been behaving very correctly. It wants to contribute to peace in Cambodia through the Big Five resolution, that is the agreement that China has reached with the United States, UK, and the Soviet Union. China behaves very well. This is why China has called for the settlement through the Big Five resolution. China's deeds always match its words. China wants to help all of us achieve this solution, therefore it is unhappy if any party refuses.

I must stress again that the three parties which met recently in Beijing were clearly informed of China's stance, that is China wants the Cambodian settlement through the Big Five solution. And China has asked the three of us to follow this solution. The three of us have already accepted it. We only wait for Phnom Penh to accept it so that the problem will be resolved. It would be wrong to reject this solution. Those who reject it will be the ones who lead our compatriots toward misery. Therefore, I would like to call on the compatriots to persuade the Phnom Penh leaders to listen to the Big Five's advice because this solution has been thoroughly examined. Do not be afraid of the Khmer Rouge, they can never return to power.

[Correspondent] Thank you. I have learned that lately Mr. Hun Sen's side in Phnom Penh declared that its stance in accepting or not accepting the UN peace plan can be negotiated further. What is your opinion if this is true?

[Son Sann] If Mr. Hun Sen and all the leaders in Phnom Penh do not accept the Big Five solution in its entirety like we do, there is nothing to be negotiated. We have already accepted the solution. If they want to negotiate, they should immediately announce that they agree to attend the meeting which will be held soon in Jakarta so that we can discuss whatever they want. But on our side, the three parties have already fully accepted the resolution worked out by the Big Five.

[Correspondent] Thank you, your excellency the KPNLF president. Before concluding, do you want to add anything for the information of the clergymen and the Cambodian compatriots inside the country?

[Son Sann] I would like to take this opportunity to extend my respects to the venerable clergymen and inform the Cambodian compatriots inside Cambodia that I have just returned from Beijing and have been clearly informed of the stance of the big countries which met in Beijing, such as great China [words indistinct]. We also held a successful meeting with Samdech Norodom Sihanouk. Therefore, I would like to inform all compatriots that we want to achieve reconciliation and to seek happiness for all compatriots who have been suffering for 20 years now.

I would like to recall the past, that is since 1963 as recorded in an international book called *Who's Who* noting my belief in full independence [words indistinct] our Cambodian compatriots will reunite again forever within the framework of nationalism and democracy. That was my belief in 1963. However, I still believe this. Thus, I do not want the fight which will only kill the compatriots. Vietnam wants us to fight and kill our fellow Cambodians. We should not kill our own people. We should try to preserve all Cambodians. In the future, we should unite. Whoever does anything wrong, the people will judge him through the elections. In addition, we must unite with whoever we can [words indistinct]. If we do not unite and if the fight that has dragged on since 1970 goes on and we continue to kill each other, what will happen to our Cambodia? We should unite so as to be able to rebuild our country.

I am addressing this not only to the nationalists but to others as well. I know there are many patriots who love [words indistinct] and democracy. I also know that not all members of the Khmer Rouge are as cruel as their genocidal leaders. Some of them [words indistinct]. We should unite with whoever we can.

I would like to stress once again that the Big Five solution has the details that deal with the (?prevention of) the Khmer Rouge. The Khmer Rouge will not be allowed to seize or return to the power in order to carry on the genocide again. I must stress this point because I have seen this article in the Big Five solution. It is wrong to just follow Vietnam's claim that the Khmer Rouge will never allow us to live in peace. Let things be decided by our compatriots through voting. After the voting, we will know who is right and who is wrong, thus judgment can be made. Let our people decide not through the use of the Vietnamese, Russian, or any country's arms, but through elections.

Therefore, I would like to call on all compatriots to first of all try to compromise and unite with one another and let the big powers which pity us help us seek the solution. They want to help us settle the problem by bringing the international forces to assist us in organizing the elections. They only ask for power in some ministries that have direct bearing with the elections. Why don't we just hand it over to them? If we just keep on refusing to let the United Nations bring a sufficient number of the International Peacekeeping Force for this work, how can we achieve peace? They know what our Cambodian compatriots want—that is first, for all Vietnamese to leave; second, to deprive all the four Cambodian factions of all means that will enable them to take up arms and fight on. We should let the United Nations keep peace for us and organize the elections in a neutral climate without partiality to any side.

As all of us know, the Phnom Penh side has already made preparations. If the Phnom Penh side wins 70 percent in the elections, that would be great. But it should win them in peace and democracy with the United Nations as witness. In this case, no one would contest the results. I wish people agree to do things this way. I would love to hear those in Phnom Penh say they agree [words indistinct].

In summary, the three factions that have been engaged in the struggle to liberate Cambodia from the Vietnamese aggressors, and not to kill fellow Cambodians, have already fully agreed to the Big Five Cambodian solution. Only Phnom Penh remains noncommittal because it listens too much to Vietnam. It keeps asking for more explanations. Everything was explained in Paris. What remains to be done is that Phnom Penh should immediately accept it by going to Jakarta to end the conflict between Cambodians. Afterwards, we would go to Paris to finalize it. Now, the compatriots are asked to see who really is the obstacle. I dare say that the obstacle comes from Vietnam. As for the brothers in Phnom Penh, they should listen to fellow Cambodians. If they keep listening to Vietnam, they are wrong. If you are wrong, you should hurry up and change. Otherwise, no one will support you. The people in Phnom Penh will not support you because they know the leaders are in the wrong.

Therefore, in order to make the Big Five solution succeed, the Phnom Penh side should listen to the international trend and immediately accept it. If our four factions accept it, the Jakarta talks would be a success and our compatriots in Cambodia would enjoy peace and happiness in the not too distant future.

Government Fighters Bomb Khmer Rouge Positions

BK2603104091 Hong Kong AFP in English 0930 GMT 26 Mar 91

[Text] Bangkok, March 26 (AFP)—Cambodian Government fighters have bombed areas held by Khmer Rouge guerrillas in northwestern Cambodia over the past few days, causing heavy casualties, guerrilla and Thai sources at the Thai-Cambodian border said Tuesday.

Soviet-built MiG-19s and MiG-21s began last Friday hitting targets on Highway 10, which runs from the Thai border to Battambang, Cambodia's second largest city, the sources said.

Planes had also bombed gem-mining areas located between Pailin and Samlot to the south, they said.

Pailin, a major gem-mining center less than 10 kilometers (six miles) east of the border, and Samlot, a strategic township controlling an infiltration route leading to central and southern Cambodia, were seized by the Khmer Rouge from forces of Phnom Penh's Vietnam-installed government in late 1989.

A Thai trader who had just returned from the areas attacked by the aircraft reported seeing "a number of bodies" and many people injured.

VOK Details Bombing

BK2303130291 (Clandestine) Voice of the Khmer in Cambodian 1100 GMT 23 Mar 91

[Text] Troops of the Vietnamese-backed Heng Samrin regime have used aircraft to attack Cambodian resistance forces contrary to appeals made by this regime's leaders for a quick solution to the Cambodian problem.

A source said troops of the communist Vietnamese-Heng Samrin regime launched a fierce offensive against Khmer Rouge groups in a number of areas in western Cambodia. This source said soldiers of the communist Vietnamese-Heng Samrin regime recently used three Soviet-made helicopters to attack Khmer Rouge groups in Battambang Province. The source also said two [words indistinct] of the communist Phnom Penh regime were hit by the Khmer Rouge but pilots managed to escape.

The Khmer Rouge radio also confirmed this incident and added that the use of helicopters shows that Vietnamese-Heng Samrin infantry units could not move forward to reach the Khmer Rouge's front lines.

Refugee Officials on Bombing

BK2303063491 Hong Kong AFP in English 0626 GMT 23 Mar 91

[Text] Bangkok, March 23 (AFP)—Phnom Penh forces are using aircraft to bomb zones of northwestern Cambodia held by Khmer Rouge guerrillas, refugee officials said Saturday, citing accounts from refugees fleeing the area.

They said hundreds of refugees had turned up over the past few days at a camp in southeast Thailand controlled by the Khmer Rouge, the dominant guerrilla force fighting Phnom Penh's Vietnam- installed government.

The refugees said they were taking shelter at the United Nations-aided settlement known as Site-K to escape bombing raids by Phnom Penh forces on areas of cambodia held by the Khmer Rouge, the officials said.

No further details were immediately available, but the accounts concurred with a report over Khmer Rouge radio this week that "the Vietnamese enemy started to use helicopters to fire on and bomb the liberated zones of our resistance forces in battles."

The radical Marxist Khmer Rouge, who were driven from power in Cambodia by a Vietnamese invasion 12 years ago, have repeatedly dismissed Hanoi's announcement that its entire military contingent had left the Southeast Asian country by the end of September 1989.

The Khmer Rouge radio said two helicopter gunships were hit by guerrilla ground fire on March 17 but had managed to return to a government-controlled zone near the northwestern Cambodian city of Battambang, the country's second largest.

According to refugee officials, 500 refugees have arrived at Site-K from northwestern Cambodia since the beginning of the week, over 200 of them on Friday.

Miners Flee Area

BK2403075691 Hong Kong AFP in English 0750 GMT 24 Mar 91

[Text] Bangkok, March 24 (AFP)—Gem miners are fleeing mining sites controlled by Khmer Rouge guerrillas in northwestern Cambodia following air strikes by Phnom Penh government forces, relief workers said here Sunday.

Rubies from the Pailin area adjoining Thailand are a major source of income for the Khmer Rouge, which ruled Cambodia between 1975 and 1979.

Tens of thousands of Thai and Burmese gem miners have crossed jungle-clad mountains from Thailand's southeast Trat Province to work in the Pailin area, less than 10 kilometers (six miles) from the Thai border.

The Khmer Rouge, the strongest of three guerrilla forces fighting Phnom Penh's Vietnam-installed government, seized Pailin in late 1989.

The relief workers said large numbers of miners had returned to Thailand following bombing raids by government helicopters.

On Saturday, 77 refugees reached a camp controlled by the Khmer Rouge in Trat Province where 495 others had arrived over the previous five days, the officials said.

They quoted the refugees as saying they were taking shelter at the U.N.-aided settlement of site-K to escape government bombing raids against Khmer Rouge-held areas across the border.

Khmer Rouge radio said Friday that the Phonm Penh government had used helicopters to "fire on and bomb the liberated zones of resistance forces in battle."

The communist Khmer Rouge, overthrown 12 years ago after Vietnam invaded Cambodia, has claimed in recent weeks to have defeated several government bids to recapture Pailin.

Phnom Penh said earlier this month that it had retaken a ruby mining center at Balaing, about 10 kilometers (six miles) north of Pailin.

The Khmer Rouge has leased large tracts of land in the Pailin area to Thai mining companies and levied taxes on miners.

Tens of thousands of miners from Thailand and Burma have registered at monitoring stations set up by Thai health authorities in the Borai border district near the gem mining area of northwestern Cambodia.

In a recent report citing Thai and Western intelligence sources, the Hong Kong-based FAR EASTERN ECONOMIC REVIEW estimated the Khmer Rouge earned more than five million dollars a month from gem mining in the Pailin area.

Contracts with thai firms for logging in tropical forests in northern and northwestern Cambodia are another major source of income for the Khmer Rouge, which, according to the review, holds cash reserves of more than 100 million dollars.

With military aid from China, the Khmer Rouge dominates the anti-Phnom Penh guerrilla coalition, which includes smaller non- communist forces loyal to former Cambodian monarch Prince Norodom Sihanouk and ex-premier Son Sann.

Indonesia

Official Calls Moves Over E. Timor 'Ridiculous'

BK2603105791 Jakarta ANTARA in English 0929 GMT 26 Mar 91

[Text] New York, Mar 26 (OANA-ANTARA)—Indonesia's permanent representative to the United Nations Nana Sutresna said here Monday that the move of some Western countries' parliamentarians over the East Timor issue was ridiculous. It seems that they simply want to raise the "rather obsolete" issue again by making use of the Gulf crisis, Sutresna said.

Recently several parlamentarians from Western countries met U.N. Secretary General Jevier Perez de Cuellar and tried to raise the East Timor issue which for the past nine years had not been discussed by the General Assembly. However, they failed to make the former Portuguese colony issue look like the invasion of Kuwait by Iraq in mid last year, Satresna said.

Secretary General De Cuellar said the issue was a decolonization process just like the Namibia and Western Sahara problems. Namibia became independent in 1990, while the U.N. hopes the Western Sahara problem administered by Morocco would be solved later this year.

If the parliamentarians said the U.N. resolution in 1975 on East Timor had not been implemented they were wrong, Sutresna said, adding that the resolution would no longer be valid with the issuance of new ones which from year to year tended to be softer. He said the softer resolutions were in line with the developments at the U.N. and they have resulted in the postponement of the issue's discussion by the General Assembly.

Nana Sutresno said at the initiative and under the auspices of the U.N. secretary general, the Indonesian and Portuguese permanent representatives at the U.N. had actually formulated a package of modality as [word indistinct] the execution of a visit to East Timor by a Portuguese parliamentary mission.

Nana Sutresna said the effort has made great progress. He and his Portuguese counterpart had agreed to submit the formulation of modality to their respective governments. "I have referred the formulation to the (Indonesian) Foreign Minister and his approval has been submitted to the secretary general. But a similar approval from Portugal has not been forthcoming," he added.

Now it solely depends on Portugal whether the effort of the secretary general should continue, Nana Sutresna said, adding that as a loyal U.N. member we go by the secretary general's effort.

The Western parliamentarians in a press conference organized by the permanent representative of Vanuatu at the U.N., Robert F. Vanllierop, after the meeting with the secretary general, acknowledged that there is an open atmosphere in East Timor. However, Australian MP [member of Parliament] Garry Gibson, who said he visited East Timor in February, tried to list what he alleged were human rights violations in the province.

Portuguese MP Teresa Santa Clara Gomez said the visit of a Portuguese parliamemtary mission to East Timor will be decisive for the future course of effort in the East timor case.

Also included in the parliamentary group are Dutch and Japanese parliamentarians Rob Vam Gizel and Hiromi Okazaki.

Sukarno's Son Joins Democratic Party

BK2303092891 Jakarta KOMPAS in Indonesian 15 Mar 91 p 9

[Excerpt] Surakarta, KOMPAS—Guruh Sukarnoputra, 38, the youngest son of Sukarno, the first president of the Republic of Indonesia, has finally declared his political stand by joining the Indonesian Democratic Party [PDI]. The declaration was made at a discussion of arts and culture organized by the Central Java PDI regional executive committee at the Wayang Orang Sriwedari building in Surakarta on Wednesday.

Also present at the meeting were Suryadi, chairman of the PDI Central Executive Committee, Megawati Sukarnoputri [daughter of former President Sukarno], and her husband Taufik Kemas. The meeting in Surakarta marked the end of a regional tour by PDI leaders, who had among others visited Tegal and Pati in Central Java, and Blitar in East Java.

"I shall fight along with other bulls [the bull is PDI's symbol] for the sake of the small people," said Guruh, who made the declaration after participants of the discussion urged him to get involved in PDI activities. "In short, together with other bulls, I shall fight for the interests of the small people," he said.

The statement made by the handsome bachelor, who easily brought to mind the charismatic figure of his father, was greeted with loud applause by the 500-strong young PDI members who had come from various parts of Central Java. [passage omitted]

Bank Governor Mooy on 1990 Balance of Payments

BK2303014291 Jakarta THE JAKARTA POST in English 15 Mar 91 p 1

[Text] Jakarta (JP)—Indonesia's balance of payments improved significantly last year because its net capital inflow reached U.S. $3.8 billion, far exceeding its current account deficit of $2.4 billion, says Bank Indonesia Governor Adrinaus Mooy.

"Net inflows of capital for the private sector reached a record high of $3 billion last year," he told an annual bankers' dinner here last night. The dinner is generally held in January but this year's event was delayed until last night because of tight schedules.

"On the other hand, the government's receipts from foreign debt decreased by 25 percent to $4.8 billion last year," Mooy said. He did not specify how much the government spent for debt services last year. But based on his statement that Indonesia's total net capital inflow was $3.8 billion, while the net inflows of capital for the private sector reached $3 billion, the government's debt services last year could be estimated at $800 million.

Mooy explained that the substantial increase in private capital inflows was caused mainly by improvement in investment climate, rises in domestic interest rates, and the abolishment of limits for the raising of offshore loans by banks.

The decline in the government's receipts from foreign debt, he said, was in line with its own policy of putting a higher priority on raising untied soft loans at levels within the reach of its own capability to repay. He said that Indonesia last year earned $11.8 billion (up by 33 percent over 1989) from oil and natural gas exports, $15 billion (up by 6.7 percent) from non-oil exports, and $2 billion (up by 22 percent) from foreign tourists.

Since the country's spending on imports of goods and services and for debt repayments also increased, its current account deficit rose by 84.6 percent to $2.4 billion last year from $1.3 billion in the previous year, he said. Mooy also did not spell out how much in an overall balance of payments surplus Indonesia enjoyed last year.

Based on the governor's explanations that Indonesia suffered a current account deficit of $2.4 billion but gained net capital inflows of $3.8 billion, the country enjoyed an overall balance of payments of $1.4 billion last year.

Central Bank Moves To Ensure 'Healthy Growth'

BK2303024491 Jakarta THE JAKARTA POST in English 15 Mar 91 p 1

[Text] Jakarta (JP)—The Central Bank has imposed higher capital adequacy standards on Indonesian banks and improved its prudential regulations to ensure a healthy growth of the banking industry.

Bank Indonesia's Governor Adrianus Mooy announced here yesterday that commercial banks were required to fulfill the capital adequacy ratio of the Basle-based Bank for International Settlements (BIS) which amounts to eight percent of total assets.

"However, the BIS capital adequacy standards will be enforced gradually and the minimum eight percent must be fulfilled by December, 1993," Mooy told a news conference. "There is not a single bank in Indonesia now which has fulfilled the BIS capital guidelines," he told the press meeting which was held a few hours before the annual Bankers' Dinner.

He said that banks were required to increase their capital to five percent of their total assets by March, 1992, to seven percent by March, 1993 and eight percent by the end of 1993. "Our banks should meet the BIS capital adequacy standards to secure a healthy growth and in order to be able to compete on the international market," he added.

The new ruling on bank capital standards is part of a package of new regulations announced yesterday as a follow-up to the massive deregulation package introduced in October, 1988. The new package also includes improving the supervision mechanism and tightens the requirements for bank owners and managements and bank reports.

"Over the last two years, the number of banks has increased from 63 to 174 and bank offices from 2,372 to 4,500," Mooy said. He said the explosive growth requires not only a higher standard of professionalism among bank staff but also a more effective supervision mechanism and prudential regulations.

The new rulings also require banks to build up reserves for covering bad loans amounting minimally to one percent of productive assets in addition to three percent of "less liquid" assets, 50 percent of doubtful assets and 100 percent of unrecoverable assets. The central bank prohibits banks from providing loans for share purchases and for working capital in share trading and from owning shares which are not meant for equity participation.

The package of new rulings also tightens control of foreign exchange deals (margin trading) by banks apparently in a bid to prevent a recurrence of such foreign exchange scandals as the one that hit Bank Duta last year (with losses totalling US$490 million).

According to the new regulations, foreign exchange deals must be based on a decision by the bank's board of directors, on legal contracts and on the availability of margin deposits. Margin trading on behalf of clients is limited to 10 times the margin deposits placed by the clients and that done by the bank itself is allowed maximally at 10 percent of the bank's capital. Banks' net open position (foreign exchange exposure) has been reduced from a maximum of 25 percent of capital to 20 percent.

The amount of foreign exchange that can be swapped with Bank Indonesia (central bank) is also decreased from a maximum of 25 percent of the bank's capital to 20 percent, and swap deals must be based on loan agreements.

Other major points of the new package of regulations include:

—Members of a bank's board of directors and board of commissioners (supervisors) must have high moral values, have never been engaged in malfeasance and in banking crimes.

—The majority of bank's board of directors must have banking experience of at least three years, cannot have family ties (up to two lines) with each other and with members of the board of commissioners and cannot hold executive positions in other companies.

—An individual can become a commissioner only for a maximum of five banks.

—The definitiion of credits covered by the legal lending limit rules is broadened to include bank guarantees, promissory notes, equity participation and credits provided by the overseas branches of a bank.

—Banks are allowed to provide bank guarantees for foreign loans for a maximum of the amount of 20 percent of their capital.

—The classification of banks is no longer based on the four categories of soundness (sound, fairly sound, not so sound and not sound) but on a reward system with scores ranging from 0 to 100 based on the parameters of assessment used by the central bank.

—Banks intending to open branches overseas or to acquire equity shares in finance companies overseas must be sound in terms of capital adequacy at least for the last 24 months.

Mooy said that a more comprehensive regulation on the banking industry was being drafted into a bill on banking. "We expect the bill to be completed within the next two weeks," he said.

Laos

Nguyen Van Linh, Delegation Arrive for Congress

BK2603160291 Hanoi VNA in English 1454 GMT 26 Mar 91

[Text] Hanoi VNA March 26—A delegation of the Communist Party of Vietnam led by General Secretary Nguyen Van Linh left Ho Chi Minh city this morning for Laos to attend the Fifth National Congress of the Lao People's Revolutionary Party to be held tomorrow.

The delegation includes Le Duc Anh, Politburo member of the party Central Committee; Le Phuoc Tho, secretary of the party Central Committee; Hoang Bich Son, member of the party Central Committee and head of its External Relations Commission; and Hong Ha, member of the party Central Committee and director of its office.

The same day, the delegation arrived in Vientiane. It was greeted among others by Phoun Sipaseut, Politburo member of the Lao People's Revolutionary Party Central Committee, vice-chairman of the Council of Ministers and foreign minister.

Right after its arrival, the delegation laid wreath at the monument to fallen combatants in the heart of Vientiane.

Analysts Speculate on Fifth Party Congress

BK2603110491 Hong Kong AFP in English 1050 GMT 26 Mar 91

[By Leo Dobbs]

[Text] Vientiane, March 26 (AFP)—Laos's communist rulers are expected to continue on the path of opening their secretive country to the outside world when they hold the fifth party congress here Wednesday through Friday.

"I can't imagine they will stop ... And go to something more orthodox," one political analyst here said, adding: "They will confirm the open door policy" launched at the last congress in November 1986. But analysts expect the Lao leadership to be more conservative on the political front during the three-day congress of the Lao People's Revolutionary Party (LPRP).

A constitution, made public last year but still to be adopted, would come under close scrutiny, they reckoned. Unofficial sources said it had been debated by the party with several interest groups and the original draft amended several times.

But one diplomat said, "they will be very cautious, I don't think they will choose a multi-party system now." Another diplomat agreed, saying that the country's one party structure would probably remain in place, but he thought that changes among elderly members in the Politburo and Central Committee were likely. However the leading role of Kaysone Phomvihan, party chief and premier, was likely to remain unchanged, he said, describing the 70-year-old as a "man of action, a man of vision."

One analyst said that party members might "want to change the structure of the Central Committee and maybe put in more minority people or representatives of provinces." He agreed that the party was also likely to endorse continuing with the open door policy.

The LPRP took power in December 1975 and chose to isolate the pauper country from the western world. It only began opening up the country to outside investors and introduce a Lao brand of Soviet-style perestroyka from the fourth congress in 1986. But the country's leaders still retain their secretive nature and have been tight-lipped about the congress.

"They haven't been very open about the congress," one Western envoy said, adding: "We understand there are going to be changes but we don't know what." Another predicted "more economic changes, than ... political."

Meanwhile, bunting has gone up around the town as foreign journalists and dignitaries arrive in the sleepy capital for the congress. Party members have arrived from allies Vietnam and Cambodia as well as a Central Committee member from China, which has only begun to improve ties with Laos in the past two years. Unconfirmed reports said that Vietnamese party chief Nguyen Van Linh is expected here.

Preparations for the congress began at the start of the year with party members and various interest groups meeting, followed by a Central Committee plenum last month. Talks have reportedly been continuing up to the eve of the congress, sources said.

Enterprises Donate Funds for Fifth Party Congress

BK2603031891 Vientiane Domestic Service in Lao 0000 GMT 26 Mar 91

[Text] With their intention to print and disseminate the documents of the Fifth Party Congress—a historic meeting that will significantly determine the fate and the task of restructuring our country for cadres, soldiers, policemen, and multiethnic people—some organizations and state and private business enterprises, at this initial stage, have contributed 1.3 million kip for the purpose. Out of this figure, 500,000 kip was donated by the State Printing House; 300,000 kip from Pakpasak Printing House; and 500,000 kip from Pasakanphim Printing House.

The Party Central Committee Propaganda and Training Board hereby expresses thanks and gratitude for the contribution to this important undertaking made by the said enterprises.

CPV Greets LPRP's 36th Founding Anniversary

BK2303101691 Vientiane KPL in English 0920 GMT 23 Mar 91

[Text] Vientiane, March 23 (KPL)—The Executive Committee of the Lao People's Revolutionary Party Central Committee (LPRP CC) yesterday received a message from the Executive Committee of the Communist Party of Vietnam [CPV] greeting the 36th founding anniversary of the LPRP (22/3/1991).

The message acclaimed the LPRP in leading the Lao people to the new era of independence, freedom, and social progress, in particular, the period of creative economic changes, and its great, firm, comprehensive achievement and victory in national defence and building of people's democratic regime.

The CPV CC Executive Committee expressed conviction that under the guidance of the LPRP and the light of the resolutions of the forthcoming 5th LPRP's congress, ethnic Lao people would achieve greater gains in building Laos into a country of peace, independence, democracy, unity and prosperity.

The Vietnamese leadership also wished the militant solidarity, special friendly relations, and comprehensive cooperation between the parties, states and people of Vietnam and Laos be strengthened lastingly.

Heng Samrin Greets LPRP Founding Anniversary

BK2303101291 Vientiane KPL in English 0858 GMT 23 Mar 91

[Text] Vientiane, March 23 (KPL)—The Lao People's Revolutionary Party [LPRP] Central Committee, on March 22, received a congratulatory message from Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee [PRPK CC], greeting the 36th founding anniversary of the LPRP (22/3/1955 - 22/3/1991).

The message noted that in the past 15 years, the multiethnic people of Laos have made significant and all-round achievements in safeguarding the motherland and in building the economic and technical bases.

Heng Samrin further indicated that Laos has also actively contributed to the common struggle for peace, security, and cooperation in the region and for the revolutionary tasks of the three Indochinese countries, for peace, independence, democracy and prosperity.

The message added that the People's Revolutionary Party of Kampuchea was pleased that the fraternal solidarity and cooperation in all spheres exist between the parties, and people of both countries and to find that similar state of affairs exist between all the three Indochinese countries.

On behalf of the PRPK CC, party members and general public of Cambodia, Heng Samrin wished that the relations of friendship, close solidarity and multi-sided cooperation between the two parties, peoples for ever more, be strengthened. He wished that the forthcoming fifth congress of the LPRP be crowned with success.

Officials Receive U.S. Medical Consignment

BK2303115191 Vientiane Domestic Service in Lao 0000 GMT 19 Mar 91

[Text] On 16 March, U.S. Charge d'Affaires Salmon called on and informed Deputy Foreign Affairs Minister Souban Salitthilat that in response to the Lao Government's humanitarian policy toward families of the U.S. MIA's in Laos, the United States has allocated special funds to purchase and fly 43 metric tons of medicine and medical equipment to Laos. Deputy Minister of Public Health Dr. Phai Latsami and some Lao authorites concerned were at Wattai Airport to receive the U.S. medical consignment. During the meeting, Souban Salitthilat thanked the U.S. Government for giving medical aid to Laos.

Philippines

Aquino Denies 'Blackmail' on Bases Consultations

HK2603035391 Manila PHILIPPINES NEWSDAY in English 26 Mar 91 pp 1, 2

[By Dionisio Tubianosa and Arthur I. Bariuad]

[Text] President Aquino yesterday brushed aside insinuations that Malacanang was resorting to "presidential blackmail of the Senate" through its proposal to hold public consultations with the people on the continued stay of the U.S. facilities before submitting a new treaty to the Senate for ratification.

Mrs. Aquino's comments were in response to former Constitutional Commissioner Jose Nolledo's warning over the weekend that the timing of such a consultation would amount to blackmailing of the Senate to decide in favor of whatever the consultation would show as the people's wishes on the bases issue.

"We would like to stress that we have said again and again that while the Senate has the final say on a possible treaty, it will be helpful to know the sentiments of the people," the President said in a statement issued to Palace reporters.

Meanwhile, acting Tourism Secretary Rafael Alunan III said yesterday that a total of P [Philippine peso] 100 million would be spent by the Department of Tourism (DOT) in the maintenance and operation of Camp John Hay to avert any disruption when the Philippine government takes formal control of the facility from the United States in three months' time. The anti-bases sentiment in the Senate has yet to soften, although majority of its members expressed no opposition to any consultation with the people as long as a referendum is not conducted in the process.

Senator Rene Saguisag, formerly Mrs. Aquino's spokesman, earlier said that the name of the game was not popularity of a particular position. He explained that what might be a popular sentiment might not be good for the people in the long run. The President's brother-in-law, Senator Agapito Aquino, who together with 11 other senators, including Saguisag, met with the President last week, said that such consultations might affect the thinking of the members of the Senate but not necessarily change their decision. Presidential aspirant Senator Joseph Estrada who just recently bolted the Liberal Party, said "it is another ploy."

In a press briefing, Alunan said that the DOT, through the Philippine Tourism Authority (PTA), would allocate $50 million to maintain and operate the sprawling rest and recreation reserve and another P50 million for capital expenditures such as perimeter fencing, housing and purchase of replacement fixtures and other movables which the U.S. would dismantle. However, Alunan stressed that the DOT's operation of the facility would only be for a "short interim period" which would allow the orderly phasing in of the private sector's involvement in the operation of the entire complex. He said that the interim period would run from 12 to 18 months.

"We maintain the view that the sooner the private sector takes over the operation, maintenance and improvement of John Hay, the better for the government in the long run," he said.

Alunan said that the DOT had already started the inventory of "non-removables" from the facility and he expected that the process would be finished after the Holy Week so as to enable the government to identify fixtures to be replaced.

Under the terms of the 1988 Manglapus-Shultz Agreement, "non-removables" refer to buildings, structures, and other improvements permanently affixed to the ground and such equipment that are essential to the habitability and general use of such improvements. "Removable property" include demountable structures such as trailers, Butler buildings, communications equipment, navigational aids, vehicles, furniture, portable air conditioners, aircraft, office equipment and special heating and cooling equipment."

The U.S. Government has said that it will not sell the removables to the Philippine Government since these would be used in Clark Air Base and in Singapore.

While Alunan admitted that the "maximum objective" of the DOT was to introduce improvements to the facility to make it an international resort estate, he stressed that "it will remain as is" and any prospective investors would have to operate the facility within the framework of a master plan. The master plan, however, is still being worked out by an inter-agency task force for planning and research.

Alunan vowed that Camp John Hay would not be turned into a "concrete jungle" and that any improvements introduced there "have to blend with the ambience." He said that the DOT would keep the facility "exactly the way it is. In other words, its quiet and dignified ambience shall be maintained, the watershed protected, and free from the encroachment of squatters."

U.S. Refuses To Sell John Hay 'Removable Items'

HK2603061991 Manila DIYARYO FILIPINO in Tagalog 25 Mar 91 p 8

[By Margeline Devaras]

[Text] With the planned 1 July departure of U.S. troops from Camp John Hay [CJH], only the buildings and nontransportable items will be left to the Philippines.

According to a Department of Foreign Affairs [DFA] informant, the United States has refused to sell to the Philippines the "removable items" they used for operations. Among the items to be taken by the Americans are demountable structures (trailers, butler buildings [as published], antennas), communication equipment, navigation equipment, vehicles, data processing equipment, and military equipment.

Although there was an agreement between Foreign Secretary Raul Manglapus and U.S. Secretary of State George Schultz in 1988 that the Philippines could get some of the removable properties, the mechanics for the agreement's implementation is not clear. According to the DFA, CJH infrastuctures just happen to be in the Philippines. "The Philippines is ready to buy this equipment but the Americans refuse and only promise to consider the matter," the informant said.

It is expected that it will take some time before the Philippines can efficiently operate the camp because the government cannot immediately replace the properties which have been removed. "It will be very difficult for us to replace the removable properties. They are very expensive. We could have saved money if the Americans just sold us their instruments instead of dismantling them," the informant added.

Meanwhile, the government will conduct an informal consultation with the people regarding the new treaty on the U.S. military bases in the country. The consultation seeks to know the people's sentiments on Manglapus' failure to convince the United States to pay a compensation of $825 million each year within a seven-year extension period. The United States is offering only $360 million each year within a 10-year extension period.

In relation to this, a new bases treaty possibly may be signed in April. The informant added that Secretary of State James Baker was designated to sign the new treaty instead of Richard Armitage, the United States chief negotiator for the bases issues.

Article on U.S. Withdrawal From Camp John Hay

HK2603090391 Manila THE MANILA CHRONICLE in English 23 Mar 91 pp 1, 8

[By Manny Mogato]

[Text] Government authorities have been using diplomatic channels to prevent American military authorities from removing their equipment from Camp John Hay, which will be reverted to the Philippines in July this year, a senior military official said.

Commodore Armando Madamba, AFP [Armed Forces of the Philippines] deputy chief for plans, told reporters that government negotiators have been persuading the Americans to leave the facilities and equipment to maintain the same level of services and prevent any disruption in base operations. Madamba, who was part of the government interagency committee drafting the Camp John Hay conversion plan, said physical inventory of the structures and facilities would be made next month.

The Americians are expected to withdraw from John Hay Air Station on July 1, and the government's tourism department is expected to take over its operations. The government has allocated P [Philippine peso] 37.7 million in case it would replace all equipment removed from the base. The government would also absorb all 500 Filipino base workers, starting with 350 workers who would be terminated next month.

Madamba said the Americans had started removing some excess equipment, supplies and other facilities at the Baguio base. In fact, the base commissary was already closed and other shops like the video outlets and the library have also been closing down. Reservations for the cottages and other lodging houses inside the base were allowed only until the end of April, except for earlier reservations which run up to May and June this year.

Madamba said most of the equipment removed and shipped back to Clark Air Base in Pamapanga were antiquated and junk types. "They (Americans) have not removed any equipment from the existing facilities that are still in use," he said. "We are actually asking them to retain some of these equipment to avoid disruption in the operations." Madamba is also set to visit other U.S. military facilities in the country that would be returned to the country after the termination of the RP [Republic of the Philippines] -U.S. Military Bases Agreement in September this year.

In Malacanang, President Aquino vowed to prevent a recurrence of the massive looting that followed the U.S. turnover of its facility in Capas, Tarlac. "There will be no repetition of this incident in the other areas to be turned over by the U.S." the President said in a statement.

The U.S. reportedly pulled out its personnel from the transmitter site last January two months ahead of the agreed drawndown date this month. The sudden pullout left the facility open to pilferers and looters.

Observers said the U.S. withdrew without notice to make its absence felt and show that Manila would be unable to cope with a pullout of its bigger facilities. But Executive Secretary Oscar Orbos indicated that the U.S. had, in fact, given prior notice of its wwithdrawal from the Tarlac facility. He blamed the incident on "miscommunication." Orbos stressed that the defense department had already undertaken measures to secure the area.

Series of 'Special Reports' on Camp John Hay

Ability To Manage Camp Questioned

HK2503155291 Manila PHILIPPINE DAILY INQUIRER in English 24 Mar 91 pp 1, 14

[First of a series of "Special Reports" on "Bases Dilemma" by Gerry Lirio]

[Text] Baguio City—The government wants to reopen Camp John Hay [CJH] to the public as a prime international tourist destination when the United States starts vacating the rest and recreation center on April 1.

Baguio folk, however, are complaining that Manila officials may not be able to maintain John Hay, a 6.8-million-square-meter complex nestled in the pine-clad mountains of this resort city.

Named after U.S. President Franklin D. Roosevelt's Secretary of State John Milton Hay, the camp was first used as a military reservation in 1903. It later become a recreation center for U.S. Air Force personnel.

At least 40,000 Baguio officials and residents have signed a petition asking Presient Aquino to spare John Hay in the phasing out of American facilities with the expiration of the RP [Republic of the Philippines]-U.S. Military Bases Agreement on Sept. 16, 1991. Signatories to the petition read like a Who's Who in Baguio, with Benguet Gov. Andres Bugnosen, Mayor Jaime Bugnosen and wife, and former officials topping the list. The over 8,000 Filipino camp employees and their families living in the eight barangays inside the camp also signed the petition.

Vice Mayor Antonio Tabora said the city council has also passed a resolution demanding the extension of U.S. use of John Hay should the government sign a new treaty extending the lease on either Clark air base in Pampanga or Subic naval base in Olongapo.

Copies of the petition and the resolution have been sent to President Aquino, Foreign Secretary Raul Manglapus, head of the Philippine bases negotiating panel, and some legislators. The petitioners expressed fear that in the hands of Philippine officials, Baguio would suffer the fate of Cavite City, when U.S. naval forces unceremoniously pulled out from Sangley Point in February 1971. They said that shortly after the Sangley pullout, once bustling Cavite City became prosaic. Base-generated businesses, which contributed 75 percent of the city's income, folded up, displacing over 1,700 Filipino workers. They also recalled that there had been plans to convert Sangley into a prime export processing zone, but nothing happened.

So, how prepared and determined is the government to take over John Hay? Is there life after the Americans shall have pulled out from the camp? There is, for sure, government officials said.

Tourism Secretary Rafael Alunan, head of thet ask force overrseeing the Philippines' planned takeover, told

Baguio officials that the plan needed only some P [Philippine peso] 40 million for John Hay's conversion into a tourist haven. Under the plan, the government will preserve the resort in its entirety, tapping at least seven major private firms, both local and foreign, to do certain tasks, with the DOT [Department of Tourism] as overall regulatory body. Baguio officials are as skeptical as the residents, however.

"I cannot dispute what Secretary Alunan said," Bugnosen told the INQUIRER. "But look, if they can't rehabilitate Kennon Road in time for the annual Holy Week and summer trek to this city, it cannot be helped if the people feel so much uncertainties about plans for John Hay."

Kennon Road is a 26-kilometer stretch that has linked La Union and Baguio since 1909 until the big earthquake on July 16, 1990, rendered it impassable. Severely damaged by the quake, the road that was once called the easiest and shortest route to Baguio from the lowlands has remained closed.

Public Work Secretary Jose de Jesus said the government needs P3 billion to fully rehabilitate Kennon Road. But with the government's huge financial deficits, the country would be better off to regard Kennon "only as part of memory, like the ancient Roman colosseum," De Jesus told a Senate hearing on Baguio last week.

Bugnosen, who worked for 18 years inside John Hay first as a security guard and later as an accountant until he resigned in 1963, noted tht the U.S. spent P40,000 each month to keep the landscape clean and green. The amount covers payment for caretakers, including at least P17,000 a month for electricity.

"Given our financial distress, where would that (takeover) leave us?," asked Rina Casuga, vice chairperson of a core group of the Association of CJH employees.

"Perhaps it is simply a case of bad timing," Rina said. "Baguio has never been the same since the earthquake. We have been losing a lot in terms of tourism-generated economies. There is massive unemployment as a result of the burning of Pines Hotel and the country club and the fall of Hyatt and Nevada hotels, all of which have yet to be restored. There is widespread recession. Now we want to be responsible for keeping John Hay? Have they realized that Burnham Park, for instance, has degenerated because of them? and now, they want to manage the camp?"

5 Tribes Claim Ownership of Camp

HK2603095591 Manila PHILIPPINE DAILY INQUIRER in English 25 Mar 91 pp 1, 12

[Second of a series of "Special Reports" on "Bases Dilemma" by Gerry Lirio]

[Text] Baguio City—When the Americans shall have left Camp John Hay, the government may not be able to immediately take over the entire estate.

The reason: At least five Igorot tribes are claiming ownership of about half of the 680-hectare camp. They may block government plans for the camp unless they are compensated. The five tribes—the Ibalois, the Kankana-eys, the Itnegs or the Kalingas, Tinggians and Bontocs—claimed ownership of parts of the camp as early as 1903, several years before Baguio became a city. Most prominent among the claimants are the Ibalois. At least 50 Ibaloi families have registered their claims with the Special Task Force on Ancestral Lands.

There are no official records bearing the claims of the Kalingas, Tingians and Bontoes. Their families were believed to have dispersed or settled elsewhere in the country.

Of the 50 Ibaloi families, the principal claimants are the descendants of Mateo Carino, an Igorot chieftain in the early 1900s, who claimed proprietary rights to 148 hectares of the entire estate. Carino filed and won his claim in a Baguio court sometime in 1903. The government elevated the case (Carino vs. Insular Government 41 Phil. 935) to a now defunct court of first instance and later, to the Supreme Court. The government won the case.

Carino pursued the case all the way up to the U.S. Supreme Court in 1909, the Philippines then being an American colony. The court favored him in a decision penned by Justice Oliver Wendell Holmes. Holmes upheld Carino's rights to his property. Holmes said: "It does not follow that, in the view of the United States, Carino has lost all rights and was a mere trespasser when the present government seized his land. The argument to that effect seems to amount to a denial of native titles throughout an important island (Luzon). Our first object in the internal administration of the Islands is to do justice to the natives, not to exploit their country for private gain."

There were unconfirmed reports that Camp John Hay, which was formally established in 1909, paid Carino a handsome amount. But neither Carino nor any of his descendants received the amount and thus, their continuing claims, the report said.

Among the other big Ibaloi claimants (descendants) are Vetrino Macay (3,647,707 square meters), Albert Martinez (780,541) Barot Binayan (Angeline Damaso) (659,157), Manuel Cuilan (348,140) and Pagnas Catao (286,862). Thirty-nine other tribal families are also claiming parts of Barangays Happy Hollow and Greenwater and the site of the Baguio Export Processing Zone which were turned over by the U.S. to the Philippine government in the 1970s.

Lawyer Joseph Humiding, chairman of the special task force, said all these families argued that their claims centered on the "immemoriality of their ownership and possession." They showed evidence ranging from tax declarations to maps, including the grant of water rights by Camp John Hay authorities.

Most, if not all, of the claimants also said that they owned the lands even before the government or the Spanish and American colonizers came to power, he said. "When as far back as testimony or memory goes, the land has been held by individuals under a claim of private ownership, it will be presumed to have been held in the same way from the Spanish conquest, and never to have been public land," he said, quoting the high court's ruling.

(Humiding is expected to appear before a Senate inquiry on government plans for Camp John Hay based on a resolution filed by Sen. Alberto Romulo.)

When the Americans shall have left the camp, the government may use and dispose of the property under the principle of eminent domain, the power of the state to use public property for public use at a reasonable price. But people ask: "Can the government afford to pay most, if not all, of the claimants, including damages that accumulated from yesteryear?"

Camp Employees Want Just Pay, Tenure

HK2603095791 Manila PHILIPPINE DAILY INQUIRER in English 26 Mar 91 pp 1, 9

[Last of a series of "Special Reports" on "Bases Dilemma" by Gerry Lirio]

[Text] Baguio City—Camp John Hay employees are demanding that the government not only guarantee their right to security of tenure but also give them a just compensation package.

The pay demand is one of the many sensitive issues the government is expected to face long after the Americans shall have gone. Labor officials have said the government, through various agencies under the Department of Tourism [DOT], will retain the Filipino employees of the camp. This is provided for in a memorandum of understanding written by the Federation of Filipino Civil Employes Association.

The federation prepared the memorandum to prevent the displacement of the Camp John Hay workers. It cited the experience of employes of Camp O'Donnell in Capas, Tarlac where 120 Filipino workers were left jobless after it was phased out last Jan. 30. Even if the government could find new jobs for the Camp John Hay employees, can it give them a just salary rate?

When the government shall have taken over the camp, employes absorbed by the DOT will be paid under Philippine wage laws, labor officials said. But this is where the problem lies. Unknown to many, the salary level of Camp John Hay's Filipino employes is higher than the government's P [Philippine peso] 106 minimum daily wage. Camp workers said their rates were based on the salary scale of the 10 top firms in the country, including San Miguel Corp. and Ayala Corp.

Take for instance, Eusebio Torcedo, an assistant bartender of Halfway House, one of the eight restaurants and snack bars inside the camp. Torcedo, 53, has been working in the camp for the last 27 years. He now receives P30 an hour, or P240 a day, a rate which is more than double that which the government can afford for an ordinary employee.

"Matanda na ako, kunin pa kaya nila ako? At pasuwelduhin kaya nila ako tulad ng tintanggap ko ngayon? (I'm already old, will they still employ me? And will they give me the same salary)?" Torcedo asks. He begins enumerating the economic problems a low-income family man has to face. But he is not alone; even managerial employees inside the camp face similar problems.

Marianito Hapitan, assistant club manager, receives P58 an hour, or P464 a day, excluding tips (which come most of the time in dollars) from generous American customers. He gets an average of P3,000 a week, excludig weekends and holidays. "Will they take me in and give me the same position?" he asked. "In our restaurant steak is cheap because it comes via Clark, tax-free. Baka paglabas ko [But if I leave], my family cannot even see a real steak," he said.

Said a bar helper: "Sa susunod na buwan, palagay ko kami'y jobless. Paglabas namin dito, diyablo (Next month, I think we will be jobless. When we leave, it will be hell)." Torcedo and Hapitan are only two of the more than 500 camp employes who will be affected when the government takes over Camp John Hay.

Most of the employes' families live in lots inside the camp which had been set aside by Camp John Hay authorities. These are barangay Greenwater, Dagsian, Hillside, Scout Barrio, Country Club, Happy Hollow, Loakan, Camp 7 and Apugan. Last week, U.S. officials told the Camp John Hay Employees Association they would lay off 80 percent of all regular employees effective April 18. Several contractual employees have been given their walking papers.

To date, Manila officials have yet to finalize their plans for the takeover, enter into a contract with any of the seven firms interested in the camp, and get things going. American officials will begin packing all their removable equipment and fixtures on April 1. The ceremonial turnover to the Philippines is scheduled on July 1, less than three months ahead of the Sept. 16, 1991 termination deadline. They said they agreed to vacate the camp earlier than the constitutional deadline to avoid the added cost of moving out during the rainy season.

But Sen. Victor Ziga, chairman of the Senate committee reviewing the government formula to rehabilitate Baguio City, feels that U.S. officials were sending a stem message to the Philippines when they decided on an early pullout. He said the message is that the Philippine Government is not yet ready to take over Camp John Hay, given the expected confusion over the takeover and the many labor problems it would bring. "They want us to feel the pressure," Ziga said.

Samuel Lopez, Camp John Hay's information officer, refused to say if such perceived pressure was part of the

U.S. panel's strategy to gain an advantage over the Filipino base negotiators. Said Lopez: "We don't want to call the pullout a takeover. Until and after the bases negotiators shall have concluded their talks, you and I aren't sure if we have to move out."

Singapore, Indian Leaders Plan Visits in Apr

HK2503052491 Manila THE MANILA CHRONICLE in English 25 Mar 91 p 9

[Text] Singapore Prime Minitser Goh Chok Tong will make a two-day visit here on April 11 as part of his long-delayed Southeast Asian tour, Press Undersecretary Horacio Paredes said.

Indian President Ramaswamy Vetakaraman has also accepted President Aquino's invitation to visit the country and may arrive here in Manila later next month, Paredes added.

Goh was scheduled to visit Manila last February as part of his Southeast Asian tour after he succeeded Lee Kuan Yew as Singapore prime minister late last year. Goh's trip, however, was postponed due to the war in the Persian Gulf at that time.

Paredes said Singaporean authorities had explained that Goh would like to proceed with the tour to "familiarize" himself with Singapore's allies in the Association of Southeast Asian Nations, the six-nation regional alliance that includes the Philippines, Thailand, Indonesia, Malaysia and Brunei.

Palace officials said that probable "talking points" between Mrs. Aquino and Goh would include the situation of Filipino domestic helpers in Singapore and regional security. The issue of Filipino workers in Singapore hugged the headlines lately due to the raid by the Singapore police of a Filipino labor center in the city-state. The Philippines has protested the raid.

An official said Mrs. Aquino also "may wish to inquire on U.S.-Singapore negotiations on the increased use by United States of air and naval installations in Singapore."

On the meeting with Ventakaraman, Mrs. Aquino is expected to raise the problem of Indian nationals who enter the country illegally, Malacanang officials said.

Manglapus Discusses Issues With Italian Ministers

HK2503052991 Manila MANILA BULLETIN in English 25 Mar 91 pp 1, 21

[By Louie Perez]

[Text] Ninoy Aquino International Airport—Foreign Affairs Secretary Raul Manglapus returned yesterday from Rome where he attended a meeting of the Christian Democratic International (CDI), of which he is vice president, and conferred with Italian officials.

In an airport interview, Manglapus said he met with Italian Prime Minister Giulio Andreotti and Foreign Minister Giorgio de Michelis as well as with Belgian Prime Minister Wilfrid Matens, and other world leaders. He said he discussed Philippine-Italian issues with Foreign Ministry officials, such as Philippine participation in the Italian plan to extend 180 million lires in bilateral aid to countries most affected by the Gulf war.

Manglapus also said that he took up the implementation of the Philippines-Italy first protocol of understanding signed in 1987 providing for a three-year aid package of $270 million, the soft loan component of which has been reduced from $195 million to $100 million. He said that he also obtained Italian assurance of an early signing of a social security agreement, which would benefit thousands of Filipinos working in Italy. Manglapus also proposed steps to break the two-year stalemate in the talks between the Philippine Airlines (PAL) and Alitalia in which PAL seeks more flight frequencies to Rome.

Other matters taken up by Manglapus were acceptance of Filipino nurses in Italy and assistance to Philippine rural hospitals, the Philippine General Hospital and the Meralco Foundation.

The Christian Democratic International is composed of Christian Democratic parties, many of which are in power in Europe, such as Germany, Italy, Holland, Belgium and Austria.

The Philippine party member is the National Union of Christian Democrats (NUCD), whose president is Antique Rep. Exequiel Javier and which is merged with the United Muslim Democrats of the Philippines (UMDP).

Ramos: 'It's the Presidency, or Nothing'

HK2503155491 Quezon City MALAYA in English 23 Mar 91 pp 1, 2

[By Manny Velasco, Didi Doloricon, Cris Larano, and Chit Estella]

[Text] It's the presidency, or nothing. This was the curt reply of Defense Secretary Fidel Ramos in an interview after his speech announcing his candidacy for the 1992 presidential elections at the launching of the United People Power Movement [UPPM] at the PICC [Philippine International Convention Center] yesterday. "I have said that before. I shall aspire only for the highst office in the land," Ramos told newsmen.

At the same time, the defense secretary categorically denied he had joined the Laban ng Demokratikong Pilipino [LDP]. He had verbally requested affiliation with the party, he said, "Everything is still all verbal. I am not a member yet." Ramos was reported as having joined the LDP this week in preparation for his presidential bid in 1992. His reported affiliation with the party fueled speculations that he was the presidential bet Mrs. Aquino would anoint.

Ramos' denial came on the wake of reports that he and the following four other Cabinet members had joined the LDP: Justice Secretary Franklin Drilon, Budget Secretary

Guillermo Carague, Natural Resources Secretary Fulgencio Factoran, and Press Secretary Tomas Gomez III.

Executive Secretary Oscar Orbos told Malacanang reporters that President Aquino will allow these Cabinet members to stay in their posts even if they had affiliated with the LDP. There is no law requiring them to resign, Orbos said, stressing that their decision to join a political party was of their own accord.

Meanwhile, Senate Minority Floor Leader Juan Ponce Enrile (NP) [Nacionalista Party] said, even if endorsed by President Aquino, Ramos will not be named the LDP presidential candidate. "The best slot the LDP will give him is that for vice president," he added. Enrile said that it was unlikely Mitra and his supporters, who had formed the party and laboriously built it, would give up the presidential slot to Ramos. Expressing disappointment over the possibility, Enrile added: "Eddie is a good man. He would have been a good president."

Meanwhile, Zamboanga Rep. Maria Clara Lobregat, a member of the so-called Group of Independents within the LDP, has pledged support for Speaker Ramon Mitra's (LDP, Palawan) bid as the party's presidential candidate. Lobregat, who won under the Kilusang Bagong Lipunan [KBL] in the 1987 elections and before joining the ruling party, said she will support Mitra in the 1992 elections. She denied reports of disloyalty to the LDP and reestablishing links with businessman Eduardo Cojuangco, the prospective standard bearer of Partido Pilipino. Although she has "business relations" with Cojuangco, she said, "this doesn't mean I'm his secret supporter." "I've been quite loyal with the LDP, but if there is evidence to the contrary, I am willing to resign," she added.

In his speech, Ramos urged the people to dump traditional politicians "for the sake of the country's growth and survival." He lamented that the Philippines, as a political entity, "is a nation trapped in parochial loyalties and rivalries."

"Our communities today are the result of gerrymandering which may have only served the interest of traditional politicians," Ramos added, as he took a dig at the "rise of a charismatic leader to power" who could bring about national deliverance or development.

Outlining what appeared to be his platform for the presidency, the defense secretary emphasized the need to decentralize the government by restoring initiative and resources to local communities through a better system of local government administration. He stressed the urgent need to put an end to a "regime of patronage and paternalism," saying politics must begin to serve not the family, the faction, nor the party, but the nation. His economic policy, he said, consists of a Philippine industry "geared towards indigenously-based industrial activities away from import-dependent enterprises."

Enrile said Ramos is "like a majestic lion lured to a trap by hunters (LDP), and there defanged." "These (LDP men) are wily politicians," he added.

The LDP is reportedly thinking of asking some 15 percent of its members it considers "sympathetic" to Cojuangco to resign. These are mostly former KBL members, or those identified with former President Marcos who have been allegedly meeting with Cojuangco in preparation for the 1992 polls.

A number of those who had joined the LDP now compose the party's so-called Group of Independents, headed by Assistant Majority Floor Leader Ronaldo Zamora (Mandaluyong-San Juan). Among those identified as Cojuangco supporters are Lobregat, Reps. Bienvenido Marguez (Quezon), Tito Espinosa (Masbate) and Carlos Imperial (Albay).

Ramos' Movement May Set Up Political Party

HK2503055991 Manila PHILIPPINES NEWSDAY in English 25 Mar 91 pp 1, 2

[By Ros Manlangit, Fidel F. Asor Jr., and Dario B. Agnote]

[Text] The United People Power Movement [UPPM] may transform into a political party to back up the presidential candidacy of Defense Secretary Fidel Ramos should the Laban ng Demokratikong Pilipino [LDP—Struggle of Philippine Democrats] not pick him as the standard bearer in the 1992 elections.

But this doesn't seem to bother another aspirant, Senator Juan Ponce Enrile, who says he prefers Ramos as the LDP bet to pave the way for a matchup between two "authentic EDSA [Epifanio de las Santos Avenue] (1986 revolt) heroes."

Another presidential hopeful, businessman Eduardo Cojuangco Jr., belittles the capabilities of political leaders to solve the country's economic crisis, saying the principal actors in the economic recovery process are the Filipino entrepreneurs.

At the House, 42 congressmen from Mindanao, most of them LDP members, yesterday assailed the national leadership for neglecting the region and formed the Mindanao Bloc to lobby for more benefits.

Enrile said he was confident that he would win "hands down" the Nationalista Party [NP] nomination in the 1992 presidential race. He said his interesting matchup with Ramos will shape up only if Ramos survives what he called a "bloody" infighting among the 1992 nominees of the ruling party.

"We want Gen. Ramos to be the LDP candidate and we would be happy to have him as our opponent in 1992," said Enrile, showing extraordinary confidence that he will prevail over Vice President Salvador Laurel or Cojuangco in the forthcoming NP party convention.

The board of trustees of the newly launched UPPM said Ramos was the most logical presidential candidate who can embody the ideal government. "We have as good strategists a fallback position," said Gloria A. Gonzalez, vice chairman of the UPPM. "There are political organizations in the movement ready to spin off into a political party. A political party will surely emerge from this movement."

The board declined to name the party yet, saying it was confidential at the moment. "There are all sorts of coalitions and groups of registered political parties that are ready to join the party that will spin off from the movement. Hence, it is just standing by," Gonzalez added.

In a speech before the Chamber of Health at the Valle Verde Country Club in Pasig, Cojuangco stressed that the principal actor in the creation of new and more wealth "is not the politician, even if he or she may be the highest official of the land." He said "the principal actors in the economic recovery process and indeed in the development drama are no other than the Filipino enterpreneurs, big and small, who undertake risks, organize commercial enterprises, bring forth products and services, pay taxes, create jobs and pursue their vision." He owns substantial shares in the San Miguel Corp., the country's biggest food and beverage firm, United Coconut Planters Bank, and other coconut-related firms. These assets, however, have been sequestered by the government and are under litigation.

Cojuangco said to combat poverty, which is the root cause of the country's political and social problems, there was a need to create new and more wealth. He squirmed at a World Bank draft report that the ranks of the absolutely poor had been swelling at the rate of 1.2 million Filipinos every year over recent years.

"Close to 4,000 Filipinos are recruited into the ranks of the absolutely poor, every day. That is a casualty rate which no country, no society, no government can or must tolerate," Cojuangco said as he assailed the government's in-action. He added: "it is because of our dismal performance as a nation as well as our inability to give our people a better life that we now have become the object of ridicule of our Asian neighbors. We are now considered the basket case of Asia, a country that has squandered many opportunities."

Cojuangco then spelled out his priorities aimed at turning around the situation should he be elected president:

1. Increase economic activity in manufacturing, high-value services, agriculture, food production and energy.
2. Streamline the bureaucracy to "make it more responsive to the needs of the ordinary citizens," and "minimize discretion so as to minimize the occasion for graft."
3. Strengthen the traditional values of hard work, integrity in public and private life and respect for law.

The Mindanao Bloc is led by Representatives James Chiongbian (LDP, South Cotabato) as chairman and Prospero Nograles (LDP, Davao City) and Jose Zubiri (Independent, Bukidnon) as spokesmen. Congressional observers, however, said the formation of the group was formed to gain influence as a power broker in the 1992 national and local elections. The House of Representatives has recently set the local elections for November 1992. The national elections, however, will be held as scheduled in May 1992.

"We have decided to form this bloc of legislators because we are united in our demand that Mindanao's concerns be immediately addressed once and for all," Nograles said. He emphasized, however, that the group was not breaking away from the LDP saying it wanted only to get the attention of the national leadership.

NPA Releases Hostages in Surigao to Red Cross

HK2603040791 Quezon City MALAYA in English 23 Mar 91 p 3

[By Froilan Gallardo and Flor Narito]

[Text] Cagayan De Oro City—The New People's Army [NPA] released nine employees of the Department of Public Works and Highways [DPWH] and four policemen taken hostage in Surigao del Sur to representatives of the Red Cross, the military said yesterday.

Lt. Col. Rogelio Navarro, 4th IB [Infantry Battalion] spokesman, said he had received reports from Thiery Charbonney of the International Committee of the Red Cross that the hostages were released unharmed last Sunday and Thursday.

Released after 32 days of captivity were T/Sgt Ricardo Bayeta, C1C [Constable First Class] Ernie Buban, C2C [Constable Second Class] Midlip Latia and C2C Renato Sobretodo, all of the 426th PC [Philippine Constabulary] Company captured last Feb. 17 during the rebel raid in Barangay Tagmalinao, Cagwait, Surigao del Sur.

The rebels also released last Sunday, after nine days of captivity, geodetic engineers Antonio R. Cale, Midardo Gujilde, Hermie Garcia, Francisco Mantalaba and five other DPWH men. They have been taken hostage while surveying the provincial road in Barangay Janipaan, San Agustin, Surigao del Sur.

The military also said that another clash between Army troops and fleeing band of NPA rebels occurred yesterday in Payugan town. Two rebels were killed. Friday's clash brought the number of rebels killed to 41 since fighting began last Jan. 1 The military said 11 militiamen and 8 soldiers have died while 12 others were wounded during the same period.

In Legazpi City, four rebels were killed last Tuesday in a brief encounter with elements of the 253d Philippine National Police [PNP] company at sitio Anislag, Barangay Paco, Gubat, Sorsogon, a belated military report reaching Camp Bagong Ibalon said yesterday.

Brig. Gen. Miguel Fontanilla, Bicol PNP regional director, said the encounter occurred at around 7:30 A.M. Tuesday when policemen and Citizens Armed Forces Geographical Unit volunteers while on patrol operations chanced upon a group of 24 heavily-armed rebels in the village. He said during the 20-minute firefight four NPA guerrillas were killed and an undetermined number wounded. No casualty on the government side was reported.

Recovered from the scene of the encounter were one M-203 grenade launcher, two M-16 rifles, one M-1 carbine, two long and 10 short magazines for M-16 rifles, one smoke grenade, eight jungle packs with personal belongings, one calculator and assorted ammunitions, and subversive documents.

Human Rights Groups Want End to Marag Offensives

HK2603085191 Manila THE MANILA CHRONICLE in English 24 Mar 91 p 6

[Text] Human rights groups yesterday called on President Aquino to stop the military buildup in Marag Valley and nearby areas in Kalinga Apsyao.

In a press conference, the Ecumenical Movement for Justice and Peace (EMJP) and the Philippine Alliance of Human Rights Advocates (Pahra) called for the pullout of the 501st Infantry Brigade from Marag and the relief of Brig. Gen. Hector Capulong and other senior military officials for alleged human rights violations.

Capulong had barred a mercy mission headed by EMJP Secretary General Bishop Gabriel Garol from entering Marag last December. Capulong said the team had links with the outlawed National Democratic Front and would only bring food and medicine to the New People's Army rebels in the area.

The Armed Forces vice chief of staff, Maj. Gen. Guillermo Flores, on Thursday orderd more soldiers and paramilitary Cafgus [Citizens' Armed Forces Geographical Units] into Marag to flush out rebels. The military said the rebels were using the civilians in the region as a shield against the military assault which started October last year.

Human rights groups reported that the military has blockaded entry points to the valley, causing shortages in food and medicine. Eighty-six children have already died because of the food blockade and the outbreak of diseases in the region, according to the human rights groups and church-based organizations which have visited the isolated valley. Most of the valley's residents are minorities belonging to the Isneg, Aggay, Ilocano and Ibanag tribes. The people were forced to leave their homes and seek refuge in the forest to escape the crossfire between the military and the rebels.

Pahra has asked the President Human Rights Committee, the Commission on Human Rights and the legislators to investigate the reported human rights violations.

Thailand

Anan, Sunthon React to 'Alternative' Constitution

BK2603020591 Bangkok THE NATION in English 26 Mar 91 pp A1, A3

[Text] Caretaker Prime Minister Anan Panyarachun yesterday defended freedom of expression in democratic society while National Peacekeeping Council [NPKC] chairman Sunthon Khongsomphong expressed anger in separate reactions to reports that some politicians wanted to draw up their own "Constitution".

Gen Sunthon sternly warned that those wanting to offer their own constitutional draft for comparison with the one to be adopted by the military-dominated interim National Assembly might find themselves in trouble. Declaring that "martial law is still in force", a stone-faced Sunthon said a group of politicians reported to be pondering forming a committee to adopt an "alternative" Constitution "don't know what they will be up against". He did not elaborate.

Sunthon stressed he would not allow any group other than the interim assembly to adopt a constitutional draft. His attitude yesterday toward what appeared to be the first show of defiance by politicians against the military since the Feb 23 coup was tougher than his initial reaction on Sunday when he sarcastically challenged politicians to form an "alternative government".

Caretaker Prime Minister Anan tried to downplay the looming confrontation, saying people could make suggestions they think are useful to the constitutional drafting process. "I don't know what the NPKC chairman has said. But I think that in a democratic society, people have the right and the duty to express their opinions as long as they don't affect other people's rights and duties," Anan said.

The prime minister noted that the public has shown interest in the constitutional drafting process. "Some groups of people as well as academics and former MPs [members of Parliament] want to contribute to the national interest. They can express their opinions. They have the right to do that," he said. The NPKC has been relatively tolerant of public criticism since the coup but has maintained the martial law it imposed after ousting the elected Chatchai government.

Sunthon yesterday refused to say what action would be taken against the politicians if they really pushed for an alternative Constitution. "We have to see whether they are violating the law," he said. The idea of presenting an alternative constitutional version to the public reportedly originated at a recent meeting of four Solidarity Party members led by former student activist Sutham Saengprathum.

Sutham last week told THAI RATH newspaper he and his colleagues were pondering setting up a "democratic committee" to put together a constitutional draft and asking the public to compare it with the National Assembly's version. Sutham's colleague Chamni Sakset, admitting that he, Sutham and two other Solidarity members had discussed the bold move, said it was not realistic under the current circumstances given the limitations of martial law. Chamni said his group's real objective was to intensify public awareness about the drafting of Thailand's new Constitution so that the people could, one way or another, participate in the crucial process.

The NPKC, praised for forming what appeared to be a qualified civilian caretaker government following the coup, was criticized after the provisional National Assembly it set up to draft a new Constitution tuned out to be a body dominated by military officers and pro-NPKC figures. Sceptics said the NPKC, which has floated some ideas about what it would like to see in the new Constitution, might try to dictate the drafting.

The NPKC wants the new Constitution to separate the legislative and executive powers by barring MPs from assuming Cabinet posts unless they give up their parliamentary status first. The military council, which has vowed not to interfere with the interim assembly, is also known to favour a long-controversial proposal of allowing permanent government officials to concurrently hold political positions in the Cabinet.

Deputy Prime Minister Michai Ruchuphan, who is tipped to head the National Assembly's Constitution-drafting committee, said yesterday useful public opinions would be welcome by the legislative body. "We need to listen to others and try to find out the best common stands," he said. He downplayed the "alternative Constitution" move. "It's like somebody wanting to compete with a newspaper columnist by writing his own article, which will not be published," Michai said.

Premier: State Enterprise Employees Cannot Strike

BK2603024391 Bangkok BANGKOK POST in English 26 Mar 91 p 3

[Text] Prime Minister Anan Panyarachun believes that state enterprise employees should have the right to form unions but should not be allowed to stage strikes, according to former Labour Department chief Nikhom Chantharawithun.

The Prime Minister gave his views during their meeting yesterday, Mr Nikhom said. He quoted Mr Anan as saying he was concerned about the issue and that the Labour Relations Act should be scrutinised to find its shortcomings so that they could be corrected.

Mr Anan wanted to know if problems regarding state enterprise unions resulted from the law's inherent flaws or lack of enforcement, he said. The Premier believed state workers should be allowed to form unions but with a very limited right to strike because their actions could affect a great number of people, Mr Nikhom said

Since all sides concerned had already agreed on what constituted the problem there should no longer be fear of workers' protests, he said. He quoted Mr Anan as saying that the Government and the National Peace-keeping Council [NPKC] were studying the matter together.

Meanwhile, academics and labour experts yesterday expressed disagreement with the National Peace-keeping Council's plan to disband state enterprise unions and remove them from the protection of the Labour Relations Act. They were speaking at a seminar at Thammasat University organised by the Human Resources Development Institute.

Most of the academics attending the meeting agreed that the problems concerning state enterprise unions in the past were caused by poor enforcement of the laws by previous governments. Kasemsan Wilawan, a labour expert, said there were at least three laws to prevent state enterprise labour unions from holding work stoppages.

According to Article 23 of the Labour Relations Act, workers with state agencies providing public utilities cannot go on strike. "There was only one case of authorities exercising their power according to the law. That was when the Labour Department ordered the dissolution of the Communications Authority of Thailand (CAT) labour union last May on the grounds that the union staged a strike without proper reason and directly affected service to the public," he said.

Mr Kasemsan who is also an associate judge in the Central Labour Court, said that he would see less benefit if NPKC isolated the unions from the Labour Relations Act. He said there was nothing wrong with the law. The fault was in its enforcement.

Army Conducts Mop-Up Operations Against CPT

BK2603030791 Bangkok BANGKOK POST in English 26 Mar 91 p 1

[Text] Nan—A cavalryman lost his left leg in a landmine explosion on Sunday as government forces advanced to suspected strongholds of some 100 remnants of the Communist Party of Thailand [CPT] in a mop-up operation launched by the Third Army on March 22.

Col Sema Yusathapon, commander of a Third army task force, said the operation followed reports that the CPT was trying to recruit new members in remote hilltribe villages in Nan and Mae Hong Son provinces. The insurgents have also been in contact with former communist defectors, he said. The insurgents have continued their subversive activities despite frequent government calls for their surrender, the colonel added.

The operation involves the 2nd Cavalry Regiment, army-trained rangers from the 32nd Regiment and two Border Patrol Police companies. Government troops have been deployed to lay siege to five suspected insurgent positions in Bo Klua, Santisuk and Mae Charim districts.

Col Sema said the insurgents were operating in small groups. They were instructed to avoid direct confrontation with government troops and to flee across the border when surrounded, he added.

On Sunday, while a cavalry unit was advancing towards Doi Pha Kaep Kae in Bo Klua District, Pvt Thawi Kaeokon stepped on a landmine and lost his left leg in the explosion. He was taken in a helicopter to the provincial hospital for treatment. On the same day, a ranger patrol found ten huts near Doi Khieo Chi hill and detained two men for interrogation.

The rangers yesterday tried to get to the top of Doi Kiew Chi believed to be the headquarters of the insurgents led by a CPT leader whose nom de guerre is Lung Sin or Pricha. But they found it difficult to advance because the steep hillside was heavily mined. A Nomad reconnaissance airplane yesterday flew from Nan to provide air coverage.

A military source said about a month ago Lung Sin sent his men to meet former CPT defectors at Ban Sop Mang in Bo Klua District with a message that his group of about 100 armed men would not surrender. Kat Khontrong, a former insurgent whose nom de guerre was Jaem and who is now head of Ban Sop Mang village, said he sent a message to Lung Sin that the military gave him until April to surrender. Lung Sin replied that he would never give up.

Kat, who was once an insurgent under Lung Sin, defected in 1983 and returned to his home in the Northeast before returning to Ban Sop Mang, a military-organised village, in 1987.

Lung Sin had been in contact with former communist defectors at Ban Sop Mang and had been receiving support from insurgents in the South who claimed they had received support from Iraq, a military source said. Col Sema said the report had yet to be verified.

Article Views 'Turnabout' in Thai-U.S Air Talks

BK2603032191 Bangkok THE NATION in English 26 Mar 91 p B12

[By Patchari Luengthai and Thanong Khanthong]

[Text] The five-day air service talks between Thailand and the United States last week set many people wondering as to what underlying objective the Thai negotiators were trying to achieve in the dialogue with their counterparts.

The outcome was a big surprise, if not disappointing. The Thai negotiators, led by Rungrot Siprasoetsuk, deputy director general of the Department of Aviation, switched back to low gear in the course of the talks by allowing the US airlines to maintain their present frequency of 38 flights a week to Bangkok until October. This marked a dramatic turnabout in its tough stand all the way in the bilateral aviation talks.

In December, the Thai negotiators ordered the US airlines to cut back their services to Bangkok to 28 flights a week, so that Thai Airways International [THAI] and the regional airlines could form an alliance to take over the slots in the lucrative Asian market. At stake, they argued, is the Fifth Freedom which the US airlines are exercising against the interests of THAI and other regional airlines, by picking up Japanese, Taiwanese and Korean passengers en route to Bangkok. They also contended that the US carriers are making more money through the Fifth Freedom than by carrying their American passengers all the way to Thailand. Here, there are conflicting statistics. Of about 300,000 American travellers to Thailand a year, 15 per cent of them are directly flying with the US carriers, which instead muster most of their business from the Fifth Freedom routes. But the US claimed that some 60-65 per cent of the American travellers are loading US carriers.

Over the years, THAI and other regional airlines have been facing a dwindling in the market share against those of US carriers, whose larger resources have enabled them to build up their market shares through the Fifth Freedom. That was made possible by the "open sky" policy intrinsic in the 1979 air service agreement, which allowed the US airlines to increase their frequency without being subjected to any pre-determination or control. However, the bilateral air service agreement expired in November last year, following a one-year notice by the Thai delegation that flights operated by the airlines from both countries would terminate the services if both sides failed to produce a new agreement. Without the air service agreement, the airlines from both countries are operating on a temporarily reciprocal basis.

THAI has been consistently losing money by flying to the United States seven times a week. It will be more sensible for the airline to concentrate on the markets that it can make money on, rather than lose money. Having ordered the US airlines to make a significant cutback in their services, THAI started a campaign to woo the airlines from South Korea, Taiwan and Japan to form a re-alignment to battle against the powerful US carriers. It had also worked out a new tentative flight schedule with the regional airlines to take over the service slots undertaken by the US carriers immediately after the cutback in the US services takes effect by the end of this month.

The Thai negotiators' willingness to extend the frequency of the US airlines at the present level until October serves to complicate matters. On what grounds will the Thai officials explain to their Japanese, Taiwanese or Korean counterparts about the turnabout in the negotiations? Thai Airways International should also be blamed. All of the efforts in the bilateral talks are undertaken in a manner that protects the airline's interest, but it has been very secretive, less vocal than it should have been. What has gone wrong?

Besides, the outcome of the Thai-US talks in this round clearly indicated a lack of unified position among the Thai decision-makers. After Chatchai Chunhawan, the former prime minister, reshuffled the Cabinet members for the last time before being toppled by the military, the ministers started rocking the boat.

Dr Athit Urairat, the then foreign minister, seemed to go out of his mind when he mentioned that the Thai-US air service agreement would be considered in the context of the bilateral trade talks, a comment which immediately served to complicate matters. Samak Suntharavet, the minister for transport and communications, added to the gloomy picture by saying that the Thai negotiators should not assume too tough a position by ordering the cutback in US flight services and asking for the extension of the US flight frequency by another seven months. Without a unified position, the Thai team staggered to the negotiating table.

The US negotiators, headed by Paul Wisgerhoff, director of the Office of Aviation Negotiations, Department of State, seemed to be very satisfied with the outcome of the talks. Wisgerhoff, who battled against the Soviet officials in five rounds of aviation talks and against the UK officials in four rounds, described the first round of talks with the Thais as "extremely cordial". He said: "We have been able to make a substantial amount of progress towards reaching an agreement."

He had all the reasons to be happy. The momentum appeared to have swung to the US side. Dramatic from this round was the achievement that the flight frequency on the part of the four US airlines—United Airlines, Northwest Airlines, Delta Airlines and Federal Express—has not been cut as feared. The US has been arguing steadfastly against any cutback in flight services, maintaining that the cutback would go against the interests of Thai tourism. But everybody knows that air service rights are valuable assets. Recently, Northwest Airlines took over the right to fly to the UK from the financially-troubled Pan Am for US$400 million.

However, the Thai side was able to gain some lost ground by talking the US delegation into agreeing on capacity arrangement. Although no details have been provided, it will mark a significant departure from the previous bilateral air service agreement if the new accord allows Thailand some control over the flight frequency of the US carriers in the passage of time. The name of the game is how both sides will squeeze the best benefits for their terms in the final agreement.

They will meet again this summer, probably in June or July, in Washington DC with the aim of striking a permanent air service agreement. Until then there must not be any further meddling in the Thai position. There is still time to make adjustments and work out all the differences with the US counterparts. Once the final agreement is reached, it will hang over Thailand forever. It goes without saying that better make it right at the beginning than saying sorry later.

30,000 Workers Register for Mideast Employment

BK2403013691 Bangkok BANGKOK POST in English 24 Mar 91 p 3

[Text] About 30,000 workers throughout the country have registered with provincial labour offices in hopes of getting employment in the Middle East, particularly Kuwait.

In Nakhon Ratchasima alone, the provincial labour office received applications from about 10,000 workers from three provinces—Nakhon Ratchasima, Chaiyaphum and Buri Ram. The registration centre is on the ground floor of the Tinsulanon Building behind the city hall.

Bunluan Rangklang, 35, of Nakhon Ratchasima's Chum Phuang District, said he used to work in Saudi Arabia, getting a salary of 8,000 baht per month. Because of the current drought, he decided to register for work in the Middle East again. He praised the Labour Department for its move to help workers to find jobs and hoped that the Government would help them to obtain bank loans if they are employed.

Charan Chumklang, 38, of Nakhon Ratchasima's Chakkarat District said he wanted to go to Kuwait believing that the employment there would last longer than in other countries. He, too, once worked in Saudi Arabia for a pipeline project, receiving a salary of 10,000 baht.

Acting chief of the Labour Office of Nakhon Ratchasima, Detanan Wongkhamchan, said the registration could prevent workers from being cheated by job placement firms. The number of registered workers is expected to reach 20,000 by the end of this month, he said.

Since most of northeastern workers seeking overseas jobs are unskilled labour, a training centre was set up in Sikhiu District last year with a budget of 300 million baht to train them some skills such as carpentry and masonry, Mr Datanan said.

Meanwhile, Labour Department chief Prasong Rananan said yesterday he believed as many as 100,000 Thai workers would be required for the reconstruction of Kuwait. However, there are still problems over getting entry visas for the workers because the Saudi Arabian Embassy, which issues visas to Kuwait, has not yet lifted a new visa ban on Thai workers. Prime Minister Anan Panyarachun has assigned Prime Minister's Office Minister Kasemsamoson Kasemsi to work out the problems together with the Foreign Ministry.

The Interior Ministry has approved the Labour Department's missions comprising officials and representatives of the private sector to explore labour markets in the Middle East at the time yet to be specified.

Mr Prasong said about 30,000 workers have registered with the labour offices throughout the country for jobs in the Middle East and the number is expected to reach 100,000 by the end of this month.

Private job placement firms can still advertise and recruit workers but the jobs given to workers must be first approved by the Labour Department. Any firm that wants workers can directly contact the Overseas Employment Administration Office, he said.

Laos To Get Priority in Adjusted Aid Program

BK2503012191 Bangkok BANGKOK POST in English 25 Mar 91 p 3

[Text] Thailand will adjust its aid programmes to help Southeast Asia and Indochina, particularly Laos, Prime Minister's Office Minister M.R. Kasemsamoson Kasemsi said yesterday.

The minister, assigned by the Prime Minister to oversee the country's foreign affairs and to supervise the Department of Technology and Economic Cooperation (DTEC), said Laos will be given priority because it is

Thailand's policy to help it with technology and education to promote closer ties. High-ranking officials of the Foreign Affairs and Defence ministries and the DTEC this week will discuss aid changes.

Although some ASEAN countries are rich, others still have problems and Indochinese states need help, M.R. Kasemsamoson said. Thailand is known for its economic development. Giving help to poorer neighbouring countries is being seriously considered by the Government.

"Our country has long been taking aid from other countries. Now we should improve our status and take more responsibility for the region in the role of being a 'donor' country." M.R. Kasemsamoson said the change in aid will suit the needs of Thailand's neighbours. Laos, which has applied for educational scholarships under DTEC programmes, has complained the qualification requirements are too high.

M.R. Kasemsamoson said he will soon leave for Kuwait to explore Thailand's role in post-war reconstruction. Kuwait is expected to require a large number of workers from Thailand. He has been appointed to coordinate work between the Foreign, Commerce and Interior ministries on Thailand's contribution. The United States, Britain and France, which will undertake most of the reconstruction in Kuwait, should allow Thailand to participate, he said.

However, Thailand's plan to send 100,000 workers to Kuwait also depends on how Thailand handles the cases of Saudi Arabian diplomats murdered in Bangkok early in 1989 and early last year. M.R. Kasemsamoson said Foreign Minister Asa Sarasin had urged police to keep working on the cases to satisfy Saudi Arabia. Thailand has also reassured Riyadh that the cases will be dealt with seriously.

Ministry To Reduce Laos' Dependence on SRV

BK2603014291 Bangkok THE NATION in English 25 Mar 91 pp A1, A2

[By Kunlachada Chaiphiphat]

[Text] The Foreign Ministry has put together a comprehensive plan to upgrade bilateral ties between Thailand and Laos that will stress gruadually reducing Laos' security dependence and ideological attachment to Vietnam, well-placed sources at the Foreign Ministry told THE NATION over the weekend.

The sources, who described the plan as a top foreign policy priority for the interim government, said the goal was to create an atmosphere where Laos could live with Thailand in peace and mutual trust. The sources said the plan was initiated late last year during the term of former foreign minister Subin Pinkhayan as part of the ministry's policy to adopt a "multidirectional" approach—stressing economic, cultural and technological ties on top of the traditional political approach—to Thailand's immediate neighbours, including China, Burma, Vietnam and Cambodia. Out of all these countries, the sources said, Laos was being given top priority by the ministry and Foreign Minister Asa Sarasin.

Under the plan, which outlines future cooperation in information exchange and technical assistance as well as in the political, economic and cultural spheres based on the system Thailand has with Malaysia, Thailand would treat Laos as an entity independent of Vietnam and relations would be cultivated on the basis of "trust and equal benefit," the sources said. The completion of the plan comes while both countries have taken steps to decrease tension on the border, most notably by agreeing to pull back troops from disputed areas.

During a visit to Laos earlier this month, Army chief Gen Suchinda Khraprayun agreed with his Lao counterparts on a pull-back from disputed areas at three villages in Uttaradit Province, and near Phitsanulok's Ban Rom Klao village, opposite Laos' Sayaboury Province, where the two countries fought a brief but bloody war in 1986 and 1987. Laotian diplomats in Bangkok have hailed the troop withdrawal agreement as one of the most important developments between the two countries in recent years.

The sources said that instead of security issues, the Foreign Ministry's comprehensive plan stressed the need for Thailand to work to its utmost capacity to help the land-locked neighbour develop, as a means of eliminating distrust on both sides.

Laos will have to strengthen its cooperation with Thailand as assistance from the Soviet Union and the former socialist countries of Eastern Europe has practically dried up, the sources said. They also said Thailand was prepared to address the Lao proposal to restructure the joint committees that are now in charge of most aspects of bilateral relations as the security threat along the border has lessened.

Currently the Thai-Lao Joint Cooperation Committee, chaired by the army chiefs of both countries, is the highest decision-making body on bilateral issues, with subcommittees handling border questions, trade matters and the problem of Lao refugees. Another major body is the Thai-Laos Joint Boundary Committee, chaired by deputy foreign ministers from both countries.

Suchinda, during his Lao visit, agreed in principle to the Lao leaders' proposal to restructure the committees. Under the proposal, bilateral matters would be dealt with more in the way they are between Thailand and Malaysia, which have a joint commission chaired by the two countries' foreign ministers—which serves as a consultative forum for general bilateral issues—and the General Border Committee chaired by the countries' defence ministers, which deals with security issues. The sources said Thailand would continue to actively cooperate with Laos to eliminate remaining problems regarding border seucrity and refugees.

On economic cooperation they said the government would encourage trade and investment and buy more electricity and cement from Laos, both because of increased domestic demand and because of Laos' need for hard currency. The government also plans to increase training programmes for Lao citizens to help the Indochinese country develop its human resources, they said.

Market on Border With Cambodia To Open in Apr

BK2503122691 Hong Kong AFP in English 1209 GMT 25 Mar 91

[By Charles-Antoine de Nerciat]

[Text] Aranyaprathet, Thailand, March 25 (AFP)—Efforts to solve the Cambodian conflict remain stalled, but officials from Thailand and Phnom Penh have decided on the controlled development of cross-border trade.

Pramuan Ruchanaseri, governor of Thailand's Prachinburi Province, and It Loeu, his counterpart in the northwestern Cambodian province of Banteay Meanchey, signed an agreement March 14 to set up a market for traders from both countries. The large site straddling the border, where Thai and Phnom Penh flags flap in the wind, has been cleared of mines and bulldozing is nearly complete. Thai officials say the market is to open next month with some 4,000 stalls on 90 rai (14 hectares)—70 on the Thai side of the border and 20 in Cambodia.

One aim is to put an end to the thriving black market that has grown unchecked all along the Thai-Cambodian border, with the Cambodian resistance factions and the Phnom Penh government vying for their share of the business.

Hundreds of shoppers from Bangkok make the 250-kilometer (150- mile) journey every week to raid the illegal border markets near here, returning to the Thai capital with such goods as U.S. cigarettes, Czechoslovakian felt hats, Vietnamese pottery and laquerware, and chinaware from the southern Chinese Province of Guangdong. Goods from Thailand in demand from the Cambodian side include motorcycle spare parts, bicycles, cosmetics and foodstuffs, Thai officials say.

The new market has given a boost to the local hotel industry, with four new establishments being built. It has also created renewed interest in Aranyaprathet's decrepit customs house, which has been out of commission for at least two decades because of war and domestic turmoil in Cambodia. The building has been spruced up and officials insist that taxes will be levied in future on cross-border trade.

Two blackmarkets near here, one controlled by guerrillas of the Khmer People's National Liberation Front (KPNLF), a non-communist anti-Phnom Penh group and the other with its supply lines under the control of Phnom Penh troops, have officially been closed down in anticipation of the opening of the new market. But residents say that traders are still able to cross army checkpoints to reach the guerrilla-controlled Mak Moun site, 25 kilometers (15 miles) northeast of here, and Koksabang, 12 kilometers (7 miles) southwest, where business is pretty much as usual. A few kilometers further to the southwest, Thailand's border adjoins territory held by the Khmer Rouge. When the radical Marxist group ruled Cambodia between 1975 and 1979, it abolished all forms of private ownership and trade in an attempt to turn the Southeast Asian country into an egalitarian agrarian society. But, since its overthrow by Vietnam, the restrictions have been relaxed in areas under its control in northwestern Cambodia.

At a Khmer Rouge settlement, stacks of U.S.-manufactured cigarette cartons were awaiting Thai traders in huts erected by the canal marking the border with Thailand. The going price was 190 Thai baht (eight dollars) for a carton that would fetch as much as 480 baht (19 dollars) in Bangkok. Sales of foreign cigarettes are prohibited in Thailand although they are widely available on the blackmarket. Planks of wood were also on display everywhere at Phum Thmei. Residents said each log was worth 120 baht (five dollars) to be resold for 300 (12 dollars) in Thailand where logging has been banned since the end of 1988.

Vietnam

Nguyen Van Linh Departs for Lao Party Congress

BK2603112791 Hanoi Domestic Service in Vietnamese 1100 GMT 26 Mar 91

[Text] At the invitation of the Lao People's Revolutionary Party [LPRP] Central Committee, a delegation of the Communist Party of Vietnam led by Comrade General Secretary Nguyen Van Linh left Ho Chi Minh City on the morning of 26 March to attend the 5th LPRP congress.

The delegation also consists of Le Duc Anh, member of the party Central Committee Political Bureau; Le Phuoc Tho, secretary of the party Central Committee; Hoang Duc Son, member of the party Central Committee and head of the party Central Committee's Foreign Relations Department; Hong Ha, member of the party Central Committee and head of the office of the party Central Committee; and Nguyen Xuan, Vietnamese ambassador to the Lao People's Democratic Republic (LPDR).

Seeing the delegation off at the Tan Son Nhut Airport were Comrade Mai Chi Tho, member of the party Central Committee Political Bureau; Vo Tran Chi, member of the party Central Committee and secretary of the Ho Chi Minh City Party Committee; and many cadres belonging to various organs at the central level and in the city. Also present at the sendoff was Mr. Bounsiang Luangsichampa, acting LPDR consul general in Ho Chi Minh City.

Romanian Envoy on Le Quang Dao Trip in April

BK2203154091 Hanoi VNA in English 1459 GMT 22 Mar 91

[Text] Hanoi VNA March 22—Romanian Ambassador to Vietnam Cristian Mocanu arranged a cordial meeting with Vietnamese media workers at the embassy today.

The ambassador informed his guests of the political, economic and cultural situation in his country and expressed satisfaction at the consolidation and development of the friendship between Romania and Vietnam.

He said that a delegation of the Vietnamese National Assembly led by Chairman Le Quang Dao will pay a friendship visit to Romania in early April at the invitation of the leadership of the Romanian National Assembly.

Radio Comments on Results of USSR Referendum

BK2603052191 Hanoi International Service in English 1000 GMT 25 Mar 91

[Station commentary]

[Text] Last Sunday's referendum in the Soviet Union came out with result not only of great significance to the world situation but chiefly affected the current situation in the Soviet Union. Here is our radio's opinion on this issue:

The referendum on the future of the Soviet Union, which has taken place in a critically difficult situation, finally ended with expected result. According to incomplete figures made public in Moscow, about 147 million people went to the polls and 76 percent of them supported the maintenance of the unified union. This result shows that the majority of the Soviet people approve the preservation of a renovated union. It also shows that despite many difficulties, the aspiration of the Soviet people remains unchanged: they still want the Soviet Union to be a united and stable union. Secessionist forces failed to realize their scheme of sabotaging the unity of the union.

The result of the referendum in the Soviet Union has important significance not only to the Soviet Union but also to the world situation. A united Soviet Union continuing to renovate and exist is one of the world superpowers. Many U.S. newpapers asserted that the results of the referendum shows that the Soviet people imply to the preservation of the union as one of the main powers of the world. However, the positive result of the referendum cannot solve all difficulties in the Soviet Union. After this referendum, Soviet President Gorbachev has to do a lot of work to create positive changes in the socioeconomic aspect. First of all the Soviet leadership has to resolve to the problem of the secessionist forces who are against unity and obstructing the signing of a union treaty. The concrete rectification of the content, form, and structure of the union, sovereignty of all republics will certainly face opposition from the secessionists. The six republics' refusal to join the all-union referendum, the establishment of presidential system in the Russian Soviet Federative Republic are complicated issues to the Soviet president. The Western opinion also predicted that the referendum, despite its good result, will further...the political factions in the Soviet Union. THE NEW YORK TIMES said on 19 March that the referendum brought about a sweet victory to President Gorbachev, but later there will be hard work and bitterness in the fight with difficulties in the country.

How will the Soviet president resolve these problems? That is the question of the Soviet people and the world public. The people hope that the Soviet Union will quickly enhance the positive result of the referendum to find correct and effective ways to solve these difficulties.

Meeting Reviews SRV-USSR Emulation Movement

BK2603035891 Hanoi Domestic Service in Vietnamese 1100 GMT 22 Mar 91

[Text] In Hanoi, the Vietnam Union of the Building Industry coordinated with the Building Industry Union of USSR Organizations in Vietnam to hold a meeting to review the International SRV-USSR Emulation Movement in 1990 in the building industry.

Representatives of production units, building projects with Vietnam, and USSR workers from the whole country attended the meeting.

Speaking at the meeting, Comrade Vu Trac Ban, president of the Building Industry Union, stated that last year's SRV-USSR emulation movement achieved practical results including the completion of No.3 generator in the Hoa Binh Hydroelectricity Power Station, the Dap Cau Building Glass Plant which since April has produced 1.4 million cubic meters of glass of a quality similar to USSR glass, and the Bim Son Cement Plant which produced one million tonnes of cement in 1990. Especially, the Vietnam USSR workers finished the Ho Chi Minh Museum as planned and inaugurated it on 19 May 1990 to mark the centenary birthday of Uncle Ho.

Speaking at the meeting, Comrade Simakov, assistant attache for commerce in the USSR Embassy, highly valued the international emulation movements of the SRV and the USSR in building projects and production units which achieved high productivity and made products with good quality. He expressed hope that the SRV and the USSR will continue to find suitable cooperation to further strengthen the unity between the two nations.

20,000 Workers Remain in Eastern Germany

BK2603061091 Hanoi Domestic Service in Vietnamese 0500 GMT 26 Mar 91

[Text] According to a statistical document made public in Bonn last weekend by Mrs. Fulk, the FRG Government's special envoy in charge of foreign residents, the number of foreign workers in the East German states has dropped sharply in recent months. Concerning Vietnamese workers, Mrs. Fulk estimated that there still are about 20,000 of them in Eastern Germany. This shows that since the middle of last year, approximately 34,000 Vietnamese workers have gone home. Mrs. Fulk said that some of the work contracts signed by the former GDR government with Vietnamese workers still remain valid until the end of 1993.

AFP: France To Help Lift U.S. Trade Embargo

BK2503152191 Hong Kong AFP in English 1426 GMT 25 Mar 91

[Text] Ho Chi Minh City, March 25 (AFP)—France will do everything possible to help lift the U.S. trade embargo on Vietnam, a French minister said here Monday.

"France will do everything it can to facilitate the lifting of the U.S. embargo and we hope that following the Gulf war there will be a softening of Washington's position," said Tony Dreyfus, minister delegate in the Prime Minister's Office.

"We hope to help Vietnam...and we want to develop French cooperation with this country," added Mr. Dreyfus, who arrived here Sunday for a four-day visit. He is to hold talks with Vice Prime Minister Vo Van Kiet and Foreign Minister Nguyen Co Thach.

The U.S. embargo, which is crippling Vietnam's economy, was imposed on Hanoi in 1965 and then extended to the rest of the country following the fall of the South Vietnamese Government 10 years later.

Interview With Philippine Deputy Foreign Minister

BK2503054291 Hanoi International Service in English 1000 GMT 22 Mar 91

[Text] Philippine Deputy Foreign Minister Manuel T. Yao said he believed that Vietnam and the Philippines will promote bilateral cooperation in many fields. Asked by our radio correspondent on the aim of his visit to Vietnam, Deputy Foreign Minister Manuel T. Yao said:

[Begin recording] I am heading a delegation from the Philippines on an official visit here in Vietnam, and in my delegation are representatives, of course, from our Departnment of Foreign Affairs, from the Department of Agriculture, from the Philippines International Trading Corporation, and the Central Bank of the Philippines. So you can see that the general task of our visit is to be able to call on ranking officials of different departments in furtherance of the relations between our two countries. This is also to reciprocate a visit some three years ago by Vice Foreign Minister Tran Quang Co. Yesterday, we had a day-long exchange of views with Vice Foreign Minister Tran Quang Co and other officials from the Ministry of Foreign Affairs here, and the goal of this discussion and exchange of views is to (?review) the various aspects of our bilateral relations which we sought to further enhance and strengthen with our visit here and also to exchange views on our respective positions on bilateral issues as well as issues of regional and international significance. Today, we are scheduled to meet with officials of other economic departments and ministries of your government. This morning, we just came from the State Planning Commission office, and this afternoon we are scheduled to call on the chairman of the State Commission for Cooperation and Investment. Thereafter, part of my delegation will meet with their counterparts from the State Bank of Vietnam and from the departments and Ministry of Trade of Vietnam. Finally, we are scheduled to call on the chairman of the Council of Ministers, Mr. Do Muoi, this afternoon.

So you can see that the general part of our mission is related to further enhancing the excellent bilateral relations between our two countries. [end recording]

On his impression of Vietnam during this visit, Deputy Foreign Minister of the Philippines Manuel T. Yao has this to say:

[Begin recording] Now, on our impression of the country and the people, we have been here only for a few days, but we are certainly much impressed by what we have seen of the city of Hanoi. Of course, we noticed its historical background; we are impressed by the [words indistinct]. Last Sunday we paid respect to the remains of the late President Ho Chi Minh in his mausoleum. We visited his house [words indistinct]. We also [words indictinct] received a briefing on the history of Vietnam and especially on the wars that were fought by your country, first against the French and later against the Americans, and which finally led to the reunification of your country. Now, we have been very impressed with what we have seen. We saw that the people are really very industrious. They are engaged not only in the cities, in trades and occupations here, but we have seen them at work in the countryside, both men and women, and I think this reflects the indomitable will and spirit to be able to contribute and to perform their role in the rebuilding of the country, which has of course suffered during the many years that you have undergone. [end recording]

Mr. Manuel T. Yao said that his delegation will visit Ho Chi Minh and have working sessions with Vietnamese business circles on possibility of doing business with this country. He also said that through this visit the delegation wants to know fields in which the Philippines can help Vietnam in the latter's reconstruction efforts. The Philippine diplomat informed that after his Vietnam trip, there will be working visits to Vietnam by a Central Bank delegation and a trade delegation from the Philippines.

Government Pledges To Stem Illegal Departures

BK2503015391 Bangkok BANGKOK POST in English 25 Mar 91 p 6

[By Suphaphon Kanwirayothin]

[Text] Hanoi—Vietnam has pledged to step up efforts to stem illegal departures and to bring home boat people in first-asylum countries by offering community reintegration assistance and guarantees against prosecution and discrimination.

However, Vietnamese officials admit it will be difficult to make repatriation attractive to refugees, most of whom hope for resettlement in developed countries. The number of returnees in the first three months of this year fell far short of expectations under an EC-sponsored plan to repatriate and reintegrate 5,000 refugees in the first five months of 1991.

At the end of February, Vietnam had received 8,246 returnees—6,906 from Hong Kong, 353 from Thailand, 531 from Indonesia, 366 from Malaysia, 85 from the Philippines and five from Singapore, according to the Vietnamese Foreign Ministry.

Last year, Vietnam, Britain, Hong Kong and the UN High Commissioner for Refugees [UNHCR] reached agreement on repatriation of "those who do not object," in addition to voluntary repatriation.

The Foreign Ministry in Hanoi said that up to December last year, 195,054 Vietnamese refugees remained throughout the region, including 52,036 in Hong Kong, 14,061 in Thailand, 14,858 in Malaysia, 20,156 in Indonesia, 7,902 in the Philippines and 146 in Singapore. Bui Dinh Dinh, deputy director of the ministry's Consular Department, said 912 Vietnamese had fled the country in January this year, compared to 2,508 in the same period last year.

To stem the flow of refugees, the government would launch a media campaign to dispel "false hopes raised by ill propaganda" about a better life abroad by showing the plight of Vietnamese immigrants languishing in camps in Hong Kong and Thailand, he said. Vietnamese journalists were being sent to do stories on the lives of refugees in those countries, and report on the harsh conditions that had shattered the myth of paradise abroad. Mr Dinh emphasised that the government would assure refugees that they would not face penalties for fleeing Vietnam and can "lead a normal life upon return."

Recently, Vietnam and the EC signed an agreement for the repatriation and reintegration programme for which the EC would provide about $13 million to assist 5,000 returnees, mostly from camps in Hong Kong, in the first five months of this year. However, only 74 refugees have returned.

"Difficulties remain in implementing the programme because (refugees) in Hong Kong mostly want resettlement," said Mr Dinh. The EC programme would aim to develop better living conditions in provinces where clandestine departures originate, he added. He reaffirmed that Vietnam welcomed the repatriation of "those who do not object"—the prime target of current repatriation efforts.

"We are trying our best to persuade returnees in this category (to be repatriated) and we will not accept those forced to return," he said, adding that UNHCR is keeping a close watch on repatriations in this category. "If the returnees say they were forcibly repatriated, we would send them back. But this has not happened so far," he said.

Vietnam called on third countries to accept more refugees under the Orderly Departure Programme. [ODP]. This year, Vietnam would be able to process the legal departure of over 100,000 citizens, but third countries have limited the number they will accept, he said. In 1990, 57,300 Vietnamese left the country under the ODP, triple that of 1988.

NHAN DAN Assesses CPV's Leading Role

BK2603052491 Hanoi Domestic Service in Vietnamese 1000 GMT 23 Mar 91

[From the Press Review for 23 March]

[Text] Moving toward the Seventh National Party Congress, various papers today continue to report on the holding of district- and precint-level party congresses throughout the country and to carry articles asserting the Communist Party of Vietnam's leading role.

NHAN DAN runs an article by Thanh Huu which says, among other things: For more than 60 years the party has led the people and joined them in making sacrifices to carry on the struggle in face of monumental trials and cruel enemies. Inevitably, it has suffered temporary, occasional setbacks. However, the party's line and the practical results it has obtained in implementing that line are historical facts open for all to see. So how can anyone claim that the intellect of our party and nation has contributed nothing to the development of theory, and has shown not an iota of creativity.

Our country is facing numerous difficulties and trials. Now more than ever before the people's destiny is closely linked with the party's. The people want the party to bring into full play its victories as well as the lessons of its successes while making every effort to overcome mistakes, carry out renovation, and continue leading the people to successfully build socialism in our homeland. If some people think they can win the people's hearts by distorting the party's line, negating its leading role, and demanding the toppling of its leadership, they surely have made a colossal error just like those they have made in the past.

Hanoi District Congress Questions Rice Reserves

BK2403141691 Hanoi Domestic Service in Vietnamese 1000 GMT 22 Mar 91

[From the Press Review]

[Text] The paper HANOI MOI today reports on the recent congress of Hanoi's Me Linh Distict party organization saying delegates to the congress contributed many ideas to the party draft documents. Many delegates raised the issue of the prevailing negative phenomena, especially corruption. Other delegates raised the question of the scale of cooperatives and the policy on land allocation in the rural areas.

Many delegates suggested that agricultural cooperatives should be abolished because at present peasant families buy their own seeds and insecticide while agricultural cooperative executive committees take care of the irrigation work only and the authorities pay attention only to collecting grain. As a result, a state management agency is quite sufficient and agricultural cooperative executive committees are no longer needed. They said that the maintenance of the current agricultural cooperative system will obstruct the development of production. Other delegates, however, suggested that cooperatives should be integrated into a large organization at villages and that it is necessary to strengthen cooperatives in all aspects and appoint competent persons to the executive committees. These delegates said that only with firm and strong cooperatives will we be able to satisfactorily carry out social, public health, sports, cultural, and artistic activities.

Some delegates suggested that the central government review the recent export of rice to make sure that the exported rice came from the surplus and not from rice reserved by sectors and provinces. It is noteworthy that the recent grain shortage was due to the export of rice. They urged that the authorities promptly take action against offenders who caused a shortfall in the grain reserve sector and make public the nature of their crimes. They also asked the state to check the real volume of the remaining grain reserves in storage and not from figures appearing on paper.

Party Draft Documents Viewed at Local Congresses

In Thang Binh District

BK2203151791 Hanoi Domestic Service in Vietnamese 1100 GMT 18 Mar 91

[Article by station correspondent Phan Anh]

[Summary] "In organizing the first round party congress conforming to the regulations and to attain high standards, the Quang Nam Da Nang Party Committee in the beginning of March directed the Thang Binh District Party Committee to begin the party congress, which was completed after two days.

"The Quang Nam Da Nang Standing Party Committee held a meeting for standing committees of districts and party organizations in the province to study the previous congress and to prepare for the district and town congresses from 15 to 30 March." One of lessons learned was that district party committees should solve important issues before organizing their congresses.

The important issues in Thang Binh were: pestilence, with more than 4,000 hectares out of 6,200 hectares of winter-spring rice crop infested by insects; the financial hardships facing some people; the lack of capital and material for the next rice crop; and solving complaints.

The party committee did not solve some important problems directly but formulated policies to deal with them. Although these problems should have been handled by government offices and organizations, party members working here were still held responsible. "Together with the congress preparations, Thang Binh checked and classified more than 2,100 out of more than 2,200 party members. Only one percent was not done."

Through classification, members who made mistakes were strictly dealt with. At the same time the Committee to Check the Quality of Congress Representatives had information to work on. As a result, eight secretaries and nine presidents at the village level were not selected as representatives for district congresses.

"Thousands of views from party members and people in Thang Binh were compiled into two documents, one consisting of the members' views, the other of the people. From these two documents, the Congress' Organizing Sector extracted 19 practical issues to be printed and sent to representatives for study.

"All issues discussed were related to the present socioeconomic situation. All representatives basically agreed with the main views mentioned in the Central Party Committee documents. Their suggestions also touched on themes such as the current contradictions, the right of ownership, the political system, and direction of socioeconomic development in the next five years."

According to the secretary of the district party committee, the main purpose of the congress was to provide opinions to the party documents. Therefore, though the election for representatives was important, it should not affect the representatives' contribution to the congress. In the election carried out later the congress elected 17 official representatives and three alternate representatives to attend the provincial congress, including three members recommended by the provincial party committee.

However, the Party Building Section of the Provincial Party Committee asked why not one of the 14 representatives for the higher level congress was from the agricultural cooperative, when the district is an agricultural producer. The comrade secretary of the district party committee replied that the congress paid more attention to the quality of the representatives than to their make-up.

Some cadres who had been following grass-roots congresses in Quang Nam Da Nang felt that the first round congresses only selected articulate people who had good ideological knowledge and did not consider other fields.

"In conclusion, the party organizations were reminded that according to central regulations, the first round congress representatives will attend the second round. This is when party committee members will be selected for the next period to implement the area's social and political duties. Therefore, although members had to contribute views on the party documents, members attending the higher congress must not only be articulate, they must also perform their duties well."

From experiences of the Thang Binh Congress, the Quang Nam Da Nang Party Committee instructed districts and towns to strictly check on the regulation, organization, and expenses. The party congresses should not interfere with the intensification of production activities and the improvement of the lives of the people.

In Ba Dinh Ward

BK2503141991 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Mar 91

[By station correspondents Hoa Huong and Tran Trong Chuy]

[Summary] Ba Dinh Ward of Hanoi just started the 20th first round ward party congress. The congress was one of the two experimental congresses of Hanoi City to extract experiences for later use in other areas. More than 300 representatives from 139 party organizations of more than 11,000 party members attended the congress.

After the opening speech, Comrade Nguyen Thi Tam, alternate member of the party Central Committee and secretary of the Ba Dinh party committee, presented the compilation of opinions to the party draft documents of party members and the public from grass-roots party congresses.

"To prepare for this congress, the Ba Dinh party committee had sent instructions to the grass-roots party congresses to concentrate on the two main issues: providing opinions to the party draft documents and selecting representatives to attend the ward party congress."

In the preparatory time for the grass-roots party congress, Ba Dinh quickly concluded more than 20 cases involving cadres who had complaints lodged against them. In some cases which were solved quickly, the cadres who were wrongly accused were elected to attend higher congress. That helped party members to correctly select their representatives to attend the ward congress.

In order to meet the requirements of a grass-roots congress, the ward party committee chose three grass-roots party committees to organize pilot congresses. In the process of organizing congresses in grass-roots organizations, the ward party committees also corrected some party committees which did not conduct their congresses according to regulations.

Due to good preparation, party members from grass-roots party committees of subwards, schools, and hospitals honestly contributed many good ideas. From that experience, before starting the ward congress, the Congress Organizing Committee sent to representatives some draft issues which should be concentrated on when the party draft documents are discussed. Therefore, 47 speeches of representatives at the ward congress were of good quality.

"All representatives agreed that the socialist path is the people's aspiration. Many opinions were united in agreeing with the leadership role of the party as mentioned in the party draft platform. This role confirms the party's leadership and opposes the multiparty system and political pluralism and determines that Leninism and Ho Chi Minh ideology are the bases of our ideology."

However, some representatives expressed people's concern at the current socioeconomic situation and suggested the party should have urgent policies and measures to gradually solve the present difficulties. When discussing general points, the representatives also related them to their practical working experience. In the political report, the representatives suggested that mistakes and failures should be mentioned so they can be acknowledged and avoided in the future. Comrade Tran Lam, a Dien Bien subward representative, said that a compilation of mistakes and shortcomings such as members' degradation and corruption should be added to the party draft documents.

Many representatives said that the most urgent issue is the continuation of the party's purification to enhance the leadership role of the party and the determination to eliminate corruption in the party. Comrade Hoang Chan from Quan Thanh subward suggested severe punishment in corruption cases to restore the people's confidence in the party and state.

Based on their practical experiences, representatives suggested some measures to strengthen the party. Ms. Nguyen Thi Tai Van from the Hanoi Teachers' College suggested more investment in education so that more attention can be paid to training teaching cadres. Ms. Dinh Thi Ly from Nguyen Trung Truc subward party committee said the role of community organizations is important for building and protecting the nation, and those organizations should intensify their activities to attract more participation from the public.

"We can say that the 20th first round party congress of Ba Dinh ward was a real democratic one. Speeches from representatives related to many practical issues, showing the expectation and aspiration of party members and people in the ward. At the same time, they contributed many useful opinions to the coming Seventh Party Congress.

Comrade Hoang Than, vice secretary of the Ba Dinh party committee, told us that the ward is directing all sectors to closely work with the people to solve the difficulties of the business and production units, to help stabilize production, to create more jobs for laborers, and to implement policies to develop family economy. The banking, financial, and related sectors are concentrating on market management work to counter smuggling, production of fake goods, and tax evasion. Ba Dinh Ward also pays attention to the city planning work, and tries to improve its services such as the sewage system, electricity, water, and other works.

"Doing well in these tasks creates enthusiasm for the people in the ward to look forward to the second round of the ward party congress and the Seventh Party Congress with practical results. If these tasks are achieved, the national party congress will not only be a festival of party members but also a festival for people of all walks of life."

In Hai Hung Province

BK2303142691 Hanoi Domestic Service in Vietnamese 1100 GMT 22 Mar 91

[Text] The party committee of the two districts Chau Giang and My Van just finished the first round of its Fifth Party Congress.

The representatives completely agreed with the principal viewpoints and the main direction represented in the draft documents.

In addition to that, the My Van District representatives suggested that the party and state confer ownership rights for residential land to the people, and extend the right to use cultivated land from 10 to 15 years. One hundred percent of the two districts' representatives submitted these suggestions for consideration and decision by the central government.

The representatives of Chau Giang District suggested that the party and state create a national policy on population and family planning issues to replace the current planned birth movement while simultaneously making quick announcements on education law, civil law, and labor law.

Most of the representatives of the two districts suggested that the party and state allow party members to conduct private business in conformity with the state's laws and regulations.

In Lang Giang District

BK2303064191 Hanoi Domestic Service in Vietnamese 1000 GMT 22 Mar 91

[From the Press Review]

[Text] Reporting on the party organization congress of Lang Giang District, Ha Bac Province, today's NHAN DAN says: In one day of work, 22 of the 34 delegates registered to make a statement, voiced their worries and concerns over the major issues in the draft documents of the Seventh Party Congress. The interesting point was that in this forum, all the suggestions made to improve, supplement, support, or oppose the viewpoints, contents, and structures of the draft documents reflected a high volume of intelligence and close multilateral information.

The enjoyable point was that this intelligence was manifested by delegates from primary installations, villages, schools, and enterprises who are mostly young. Some of them are just past 20 years old. Such issues as international problems, public welfare, intellectual standards of the people, training of geniuses, jobs for youths and rural workers, and the development of the countryside, agriculture, and peasants within a general viewpoint that harmoniously combines national with international factors in building Vietnamese men or national construction with defense.

In 7th Military Region

BK2603091991 Hanoi Domestic Service in Vietnamese 1400 GMT 25 Mar 91

[Text] According to QUAN DOI NHAN DAN, the party organizations of the 7th Military Region have expeditiously held their party congresses and discussions on the documents of the Seventh National Party Congress. Although very busy with unit-building and training activities in the first months of the year, the party organizations of the military region's grass-roots units and organs made meticulous preparations to hold first-round party congresses. More than 86 percent of cadres and party members and 75 percent of Ho Chi Minh Communist Youth Union members participated in the study of the documents of the Seventh National Party Congress. Linking the contents of these documents with the realities in their units, they made efforts to bring about important changes, thereby improving the quality of party's and youth union's activities.

As of 14 March, with a high sense of responsibility and owing to serious organizational efforts, 137 grass-roots party organizations and 100 percent of higher-level party organizations had finished holding first-round congresses with fine results. All party organizations saw to it that 95 to 98 percent of their members attended these congresses and contributed many practical and valuable ideas to the draft documents of the Seventh National Party Congress.

Radio on Results of People's Councils Conference

BK2403134891 Hanoi Domestic Service in Vietnamese 2300 GMT 20 Mar 91

[By station correspondent Dinh Khai]

[Summary] "Dear friends, the Third National People's Councils Conference held in Hanoi from 18 to 20 March has concluded with splendid success. The purpose of the conference was to review and appraise the activities of echelons of people's councils and draw on experiences to further enhance their efficacy, thereby contributing to meeting the requirements of the renovation cause."

After the Second National People's Councils Conference on 5 May 1990, the Council of Ministers promulgated the law on organization of the people's councils and committees, and the regulations on organization and activities of echelons of the people's councils. "Apprasing the implementation of these laws and regulations over the past more than a year, the conference noted that remarkable progress was made at various people's councils echelons, especially at the provincial, district, and corresponding levels."

Implementing their functions and duties, the people's councils have contributed to stabilizing the political and socioeconomic situations, improving the people's daily life in localities, and consolidating the people's confidence in the administration.

"At the third national conference, delegates discussed more topics and issues as compared to the previous national conference. The conference adopted various resolutions and resolved many pressing issues related to the economic, cultural, social order, public health, and education domains, thereby helping to improve the people's daily life, protect the state economic and financial interests, and purify the state mechanism in localities."

The conference noted that the implementation of the previous national people's councils conference resolutions and the control and inspection work have further improved. The relations between the people's councils' standing bodies and the people's committees and the Vietnam Fatherland Front have been strengthened.

However, activities of the people's councils at the grassroots level have been carried out ineffectively, mostly just for form's sake. According to the Council of Ministers appraisal, this was due to a lack of effort by these councils to implement the party objectives on renovating the party leadership over echelons of the people's councils, while many people's committees did not realize the renovation on organization and activities of the people's councils, thus adhering to their old way of working. As a result, many people's councils have carried out tasks in a confusing and cumbersome manner while failing to exercise their motivation and control functions.

"It is noteworthy, however, that the quality of echelons of people's councils of the current term is better than the previous one. But according to statistics, only 80 percent of the people's council deputies have fulfilled their tasks, the rest were weak and inactive. The bad conduct of many deputies was investigated and some of them were dismissed. About 14 deputies at the provincial and municipal levels were expelled and more were subjected to the same measure at the district and village levels. In Minh Hai Province for instance, 235 of the 7,114 deputies at the village, subward, and town levels were dismissed."

At the third national conference, after hearing the Council of Ministers report and after a series of discussions, delegates to the conference expressed their identity of views on the party and state renovation policy on the organization and activities of the people's councils. Many delegates suggested that efforts should be made to examine and revise the law on the organization of the people's councils and committees and the regulations on the organization and activities of the people's councils to suit the current situation, especially Articles 45 and 47.

"In its appraisal, the conference asserted that echelons of people's councils should concentrate efforts on fully implementing their functions and duties to satisfactorily fulfill their tasks entrusted by the people."

The conference urged that efforts should also be made to implement the current renovation cause to enhance the quality of the people's councils to help them satisfactorily implement the party and state socioeconomic lines and policies and to carry out the National Assembly resolutions which are aimed at accelerating production and business, improving the people's daily life, satisfactorily implementing social walfare policy, opposing negative phenomena, and effectively strengthening the functions and roles of the people's councils and other state agencies in localities.

Meeting Marks Youth Union's 60th Anniversary

BK2503153491 Hanoi VNA in English 1453 GMT 25 Mar 91

[Text] Hanoi VNA March 25—A mass meeting was held at the Ba Dinh conference hall this afternoon to mark the 60th anniversary of the Ho Chi Minh Youth Union (March 26).

Among those present were Vo Chi Cong, Political Bureau member of the Communist Party of Vietnam [CPV] Central Committee and President of the State Council, Do Muoi, Political Bureau member of the CPV Central Committee and chairman of the Council of Ministers, Pham Van Dong, advisor to the CPV Central Committee, Nguyen Thanh Binh, Political Bureau member and Secretary of the CPV Central Committee, and Le Quang Dao, member of the CPV Central Committee and chairman of the National Assembly.

In his opening speech, Ha Quang Du, first secretary of the union, stressed that the young generations of Vietnam with the Ho Chi Minh Communist Youth Union as their vanguard, have always closed their rank, been loyal to the party's and President Ho Chi Minh's ideas, thus making glorious exploits during the resistance wars against the French colonialists and the U.S. agressors for national salvation. He also recalled young people's achievements recorded in the past five years in the cause of renovation. He pointed out that in the implementation of the renovation worked out by the party, the Vietnamese youth have always been in the vanguard, stepping up production and business transactions.

Papers Mark Anniversary

BK2603092291 Hanoi VNA in English 0603 GMT 26 Mar 91

[Text] Hanoi VNA March 26—The past 60 years have recorded great services of the young generations, one after another, in the van of the implementation of the revolutionary tasks with the Ho Chi Minh Communist Youth Union as the organizer, educator, guide and companion, says NHAN DAN in an editorial today marking the 60th anniversary of the Ho Chi Minh Communist Youth Union (March 26).

The paper says:

"We are facing great difficulties on the road of building the country in the transition period to socialism. The socio-economic crisis has had a big impact on the young generation. As a reliable reserve of the party, and the organization of the frontrank youth, the union is mobilizing the young people to actively take part in the renovation and to contribute, together with the party and government, in resolving pressing issues of the youth."

For its part, the army paper QUAN DOI NHAN DAN says: "We are implementing two strategic tasks: To successfully build socialism and firmly defend the socialist homeland in the conditions of a bitter and complicated struggle of the revolutionary forces and socialism in the world. History is assigning to the Vietnamese Youth the mission of holding high the banner of the party and President Ho Chi Minh and courageously marching in the van of renovation in order to build a new life and firmly defend the homeland".

Radio on Efforts To Solve Unemployment Problem

BK2603060691 Hanoi International Service in English 1000 GMT 25 Mar 91

[Text] At present, a stable and suitable job is a primary concern of Vietnamese young people. Statistics show that about 1.7 million people are jobless and most of them are young people. In Hanoi alone, 70 percent of the unemployed are in the age group from 17 to 20. They are secondary graduates. This poses a burden to the country's socioeconomy as every year another 1 million people need jobs.

Solving this problem, the Vietnamese state has made great efforts in providing jobs for the laboring people, especially the young. The state has developed new branches of production and enterprises in the country, for example, construction, agriculture, and forestry farms. The Vietnamese state has also signed agreements on labor cooperation with the Soviet Union and some countries in East Europe and Central Asia. These agreements have helped provide jobs for a great number of the young people. Yet, in recent years, political and social changes in these countries have affected the implementation of these agreements on international labor cooperation.

In a report delivered at the National Assembly, Minister of Labor, War Invalids, and Social Affairs Tran Dinh Hoan noted that to provide a new job for one person, the state has to spend about 2 million dong. This results in a great expenditure to the state budget if we multiply by about 2 million unemployed people. Nevertheless, a new economic policy is under way in Vietnam encouraging the development of multisectorial economy. A number of young people in the urban areas found their way out by involving in production and trade in nonstate economic sector. According to the results of a social investigation in Hanoi in 1990, 50 percent of the young people want to work in state-run enterprises, 30 percent less than in the previous three years.

VNA on Investments of Overseas Vietnamese in 1990

BK2403154891 Hanoi VNA in English 1454 GMT 24 Mar 91

[Text] Hanoi VNA March 24—Eleven projects wholly invested by Vietnamese living abroad were licensed last year. They totalled 23.9 million U.S. dollars.

Of the 40,000 overseas Vietnamese who revisted the home country last year, 15,800 were from the United States, 5,600 from France, 5,400 from Australia, and 3,600 from Canada. Three hundred of them put money in joint ventures or acted as agents for business operation.

Vietnamese nationals in foreign countries have raised 300,000 U.S. dollars for welfare projects, for encouragement of inventions, and for scholarships and prizes for gifted students.

VNA on Expansion of Winter Crop Acreage

BK2403154191 Hanoi VNA in English 1456 GMT 24 Mar 91

[Text] Hanoi VNA March 24—The area under winter crop, a main crop in North Vietnam, has increased to 300,000 hectares cultivated with vegetables and subsidiary food crops like maize, potato, sweet potato and beans.

In the recent winter crop, peasants in northern provinces grew 263,000 hectares of vegetables and subsidiary crops and harvested 428,000 tonnes of food in rice equivalent (three kilos of vegetables are rated equal to one kilo of paddy). Maize was planted on 63,000 hectares with a per-hectare yield of 2,050 kilos, up by 300 kilos compared with the previous crop. Potato was planted on 30,190 hectares.

The addition of the winter crop to the crop structure has resulted from intensive farming and multi-cropping, especially the planting of short-term rice varieties (85-100 day spring rice) in replacement of long-term ones (about 180 days). The winter crop is planted in between the summer-autumn and spring rice crops.

In the coming years, the acreage under such crop will be expand to 500,000 hectares.

Australia

Recognition of One-China Policy Reaffirmed

BK2603032291 Melbourne Overseas Service in English 0100 GMT 26 Mar 91

[Text] The Foreign Affairs Department says an unofficial visit to Taiwan by the federal opposition leader, Dr John Hewson, for commercial purposes does not mean any change in Australia's policy on China.

The department has reaffirmed Australia's official recognition of the Beijing Government as the sole legitimate authority over all of China, including Taiwan. Chinese officials have expressed concerns about Australia's recent upgrading of relations with Taiwan, which will be allowed to open a commercial office in Canberra.

Commercial Aviation Accord Signed With Taiwan

BK2603090991 Hong Kong AFP in English 0843 GMT 26 Mar 91

[Text] Canberra, March 26 (AFP)—Australia has signed a commercial aviation agreement with Taiwan, clearing the way for direct air links, Foreign Minister Gareth Evans said here Tuesday in an announcement met with concern by Beijing.

"Air links between Australia and Taiwan will significantly assist the development of commercial ties, including tourism, with Taiwan and we have been looking forward for some time to this breakthrough," Mr. Evans said in a statement.

The agreement was signed Monday in Taipei, but talks are needed to settle technical and commercial details before flights by Australia Asia Airlines (AAA), a subsidiary of Qantas Airways, could commence. The signing was timed to coincide with initial talks this week in Sydney involving a technical team from Taiwan's Civil Aviation Authority, led by Chen Chia Gu, and AAA officials.

A Qantas spokesman said it was "not possible to speculate when the first flight will take place" until talks concluded.

Mr. Evans noted that in line with Australia's policy of only recognising the People's Republic of China, neither Qantas nor Taiwan's flag carrier China Airlines would operate the route.

The foreign minister, who is to visit China next month, said Canberra had kept Beijing closely informed on the negotiations. But a senior official of the commercial section of the Chinese Embassy here complained that Canberra had not sought the prior approval of the Chinese Government for the move.

"The Chinese Government has stated many times that air links between any foreign aviation company and Taiwan are not within ordinary non-governmental trade and economic ties, but is a political issue relating to the sovereignty of China," he said. "So any country intending to establish air links with Taiwan should first consult and seek approval from the Chinese Government," the official said.

"There has not been approval sought in this case and certainly we are concerned."

Mr. Evans noted that a government-to-government agreement could not be concluded because Australia accepts China as the sole legal government and acknowledges Taiwan is a province of China.

The Australian tourism industry estimates the number of Taiwanese coming to Australia could increase from about 19,000 annually to some 140,000 with direct air links. Trade links are already worth six billion Australian dollars (4.6 billion U.S.) a year.

Qantas has predicted direct air services will generate a profit of 23 million dollars (18 million U.S.) within two years.

Present at the signing was conservative opposition leader John Hewson, the most senior Australian politician to visit Taiwan since Canberra's recognition of China in 1972. Mr. Hewson, who supports the government's "one China" policy but wants to see commercial and trade links upgraded, had talks Monday with Foreign Minister Frederick Chien and Economic Affairs Minister Vincent Siew.

Senator Criticizes Post-War U.S. Role in Gulf

BK2603042491 Melbourne Overseas Service in English 0100 GMT 26 Mar 91

[Text] West Australia's Green senator, Jo Vallentine, has called on the federal government to increase financial aid to countries affected by the war in the Persian Gulf. Senator Vallentine said the Australian Government has so far offered $5 million to aid agencies working in the Gulf while its war commitment was more than $96 million.

Senator Vallentine also criticized the United States of hypocrisy. She accused it of profiteering from the rebuilding of Kuwait as innocent people in Iraq died from disease. Senator Vallentine said members of the United Nations sanction the war, therefore they are responsible for the welfare of those countries most affected by the conflict.

Patrol Boat Given to Tonga Under Defense Plan

BK2303075291 Melbourne Overseas Service in English 0700 GMT 23 Mar 91

[Text] Australia has handed over a third patrol boat to Tonga, the thirteenth such vessel to go to a Pacific island nation, under a scheme announced by Canberra in 1983. Australia's minister for defense science and personnel, Mr. Gordon Bilney, handed over the boat to Tonga's minister for foreign affairs and defense, Prince Tupouto'a, at a ceremony in Freemantle, Western Australia.

Mr. Bilney says the 31.5 meter patrol boat, which cost Australian $5 million, would further enhance Tonga's maritime surveillance and patrol capability. The boat has been named (Voya Surveya), Tongan for surveyor.

Mr. Bilney said the patrol boat scheme was playing a vital role in helping Pacific island nations to police their 200-nautical-mile exclusive economic zones. He says the scheme is the largest defense cooperation project undertaken by Australia.

Defense Minister Reaffirms Military Policy

BK2503075291 Melbourne Overseas Service in English 0500 GMT 25 Mar 91

[Text] The defense minister, Senator Ray, has reaffirmed the government's policy of military self-reliance. In a keynote speech to an Air Force conference in Canberra, he also rejected opposition claims that the recent conflict in the Gulf showed Australia's defense policy was inadequate for regional and global security.

The policy emphasizes Australia's ability to defend itself as well as operating in conjunction with regional forces and maintaining a military alliance with the United States.

According to Senator Ray, the policy is flexible enough for Australia to look beyond its region, but the main priority is for the country to look after itself. He stressed the importance of Australia's regional involvement with Malaysia and Singapore in the five power arrangement, which also includes New Zealand and Britain.

Australia's defense spending last year approached 10 percent of the federal government's budget at $7.6 billion.

Taxation Agreement Signed With Kiribati

BK2603091491 Melbourne Overseas Service in English 0500 GMT 26 Mar 91

[Text] Australia has signed a comprehensive taxation agreement with Kiribati which will help it attract more development investment from Australia. The agreement was signed in Canberra by the treasurer, Mr. Paul Keating, and the Kiribati vice president, Mr. Teatao Teannaki, who is also minister for finance and economic planning.

The Australian Treasury says the agreement prevents double taxation by allocating taxing rights on all forms of income flows between the two countries. Under one provision, a short-term business visitor to Kiribati will still be taxed by Australia while Kiribati will have the right to tax longer-term residents from Australia.

A Treasury spokesman says Kiribati gives tax concessions to investors in so-called pioneer industries which promote the development of the Pacific island nation. He said the new agreement will mean companies investing in such industries will not lose their benefits by being taxed at the normal rate back in Australia. According to the spokesman, this will encourage Australian companies to invest in Kiribati pioneer industries.

Fiji

Army Chief Criticizes Police on Recent Crimes

BK2303123691 Hong Kong AFP in English 1140 GMT 23 Mar 91

[Text] Suva, March 23 (AFP)—Fiji's military strongman Major-General Sitiveni Rabuka lashed out Saturday at the police force for "not doing its job." The army commander, who led two coups here in 1987, blamed police for a recent spate of crime which he said could have been controlled "if the police was carrying out its job."

Opening a fund-raising drive in Raiwaqa, a crime-ridden suburb of Suva, Maj.-Gen. Rabuka cited recent break-ins and vandalism at Raiwaqa Methodist Primary School as evidence of what he called weaknesses in the police force. "The Raiwaqa police station is only across the road and still the school has been broken into and vandalised a number of times," he said.

Maj.-Gen. Rabuka, a Methodist lay preacher, also criticised what he described as an excessive politicisation in the hierachy of Fiji's Methodist church. He said he was disappointed to "see church leaders themselves more in politics and less in the important task for which they are responsible."

New Caledonia

Vanuatu Health Minister Makes Official Visit

BK2603084391 Hong Kong AFP in English 0530 GMT 26 Mar 91

[Text] Noumea, March 26 (AFP)—Vanuatu's health minister, Jimmy Meto Chillia, arrived here Tuesday for an official four-day visit to New Caledonia, during which he was to meet health officials of the territory.

Mr. Meto Chillia is also due to visit the territory's main hospitals, as well as the north and islands provinces. He was welcomed by France's high commissioner, Alain Christnacht, and the prefect responsible for regional cooperation and economic development, Jacques Iekawe.

The visit is the third by a Vanuatu official to New Caledonia this year, and shows Vanuatu and the French territory are keen on putting an end to several years of strained relations, observers said. France has no ambassador in the Vanuatu capital of Vila, and is represented there only by a charge d'affaires.

July's visit to Vanuatu by the French minister for overseas dependencies, Louis le Pensec, for celebrations marking the 10th anniversary of Vanuatu's independence, encouraged hopes the issue of French representation in the island nation would be resolved soon, the observers said. But the expulsion in September of two French families who had been living in Vanuatu for several years dampened relations.

Relations appear to have improved since the beginning of this year with the various visits by Vanuatu ministers to New Caledonia and the signing Monday of an air traffic agreement between Air Caledonie and Air Vanuata, regulating service between the two capitals, the observers said. It was signed by Mr. Iekawe and Sethy Regenvanu, representing Vanuatu Prime Minister Walter Lini, currently visiting Japan.

But the naming of a French ambassador and the "total normalization" of relations would depend on the signing of a cooperation agreement between the two countries, which could take several months more to negotiate, a diplomatic source in Vila said.

New Zealand

Group Criticizes Japanese Fishing Methods

BK2503133391 Hong Kong AFP in English 1310 GMT 25 Mar 91

[Text] Wellington, March 25 (AFP)—A leading New Zealand environmental group claimed Monday that a Japanese fishing technique used to catch tuna was killing thousands of seabirds, including rare wandering and royal albatrosses.

The group said that after having pressured Japan, South Korea and Taiwan to stop using driftnets in the South Pacific, it would now campaign to stop longlining.

The New Zealand Royal Forest and Bird Protection Society said it was disappointed that no government official will observe the fleet fishing for southern bluefin tuna in New Zealand waters.

Twenty of the estimated fleet of 40 boats have already checked through Wellington, with the rest due shortly.

Society spokesman Alan Tennyson said the seabird kill in the fishery was one of the most pressing seabird conservation issues in the world. "Birds swallow bait as the lines are set and drown when the line sinks," he said.

Among measures called for by conservationists, longliners would have to fly 50 metre streamers over the area where the lines enter the water, in an effort to deter the birds from diving for the bait. But "without observer coverage on the fleet, we won't know what the boats are up to," Mr. Tennyson said.

"The alarming decline of the world's largest seabird is being ignored" by New Zealand's Ministry of Agriculture and Fisheries, he charged. A 50 per cent decline in the worldwide population of wandering albatrosses over the past 20 years has been attributed to the fleet, which operates in New Zealand, Australian and Indian Ocean waters.

Stocks of the bluefin tuna are also in serious trouble, with catch rates dropping by 65 per cent between 1980 and 1986, and the society wants the New Zealand fishery closed, Mr. Tennyson added. "Our domestic fleets have suffered because of serious overfishing, largely by Japanese fleets," he said.

"There is a tendency for the foreign boats to underestimate their catches. Observer coverage would ensure catch rates are recorded accurately."

Article Views 'Gloomy' Study of Economy, Debt

BK2603102591 Hong Kong AFP in English 0922 GMT 26 Mar 91

[By Michael Field]

[Text] Wellington, March 26 (AFP)—New Zealand's economy, dominated by monopolies and oligopolies, had First World consumption on Third World production, according to a report made public here Wednesday. The report, the latest in a series of gloomy studies here, came as economists and politicians feared a depression that could throw thousands of its people into real poverty.

"The New Zealand economy is rationally a lost cause, but everyone is waiting to see if there is a change of attitude," said Graham Crocombe, co-author of the report, which is based on an influentual Harvard Business School study.

The study, released by Prime Minister Jim Bolger and Commerce Minister Philip Burdon, studied 20 industries making up more than 85 per cent of New Zealand's export earnings.

Mr. Bolger made it clear that his government was likely to adopt many of its recommendations.

The "Porter project" was initiated last year by then-Prime Minister Mike Moore, after Harvard Professor Michael Porter released a study of international competitiveness. His work included New Zealand in part, but Wednesday's study focused more closely on the country, applying Mr. Porter's theories which have assumed Holy Grail status here.

Both main political parties appeared to endorse the new thinking after four years of radical monetarism—known here as "Rogernomics" after then Finance Minister Roger Douglas—failed to end recession. Rogernomics—deeply unpopular and responsible for the downfall last year of the Labour government—was, according to the Porter project, necessary but not sufficient.

"Rogernomics created forces that New Zealanders were ill-prepared for and unable to meet. The result has been near paralysis," it said.

It said previous generations had saddled New Zealand with an unprecedented debt burden. Rebuilding the country "must include a fundamental attack on this debt mountain."

The study charts New Zealand's decline from having the world's third highest living standard in the 1950s to being 23rd, and with one of the lowest productivity rates in the developed world.

Mr. Crocombe said over the next three to five years New Zealand was likely to get deeper into trouble. "We have a very weak economy... The productive capacity of this economy is extraordinarily precarious," he said.

New Zealand, living beyond its means, was an anomaly in the global economy, the report said. "In essence, our living standards are those of an advanced, wealthy nation, while our export pattern is remarkably similiar to that of a low income country," it said.

It said the control of large areas of the economy remained under private monopolies and oligopolies, contributing to a tendency for New Zealand firms "not to develop more sophisticated sources of competitive advantage."

It also said there was "something fundamentally amiss" with the competition strategy. Producer boards which have controlled the export of dairy produce, wool, apples and pears, meat and kiwi fruit along with industry needed to be overhauled, it said. "More money is being lost through monopoly practices in industry than in producer boards," it continued.

The report said Mr. Porter's research showed a strong link between vigorous domestic competition and world success. In Japan, for example, there were 13 air conditioning rivals, 25 audio equipment companies and 33 shipbuilders.

It also hammered New Zealand's educational system, saying there was a "glaring mismatch" between the skills the country needed and those provided by schools.

In its recommendations, the report said New Zealand needed to avoid the "devaluation trap", establish an effective competition agency, upgrade workforce skills, eliminate the government's deficit, move towards more competition, focus on innovation and human resource development, and develop a greater knowledge of competitors.

Papua New Guinea

Deputy Prime Minister To Contest Allegations

BK2503073691 Melbourne Overseas Service in English 0500 GMT 25 Mar 91

[Text] Papua New Guinea's deputy prime minister, Mr. Ted Diro, says he will not resign despite an ombudsman commission ruling that he has a case to answer on 73 corruption and misconduct charges. In a letter published in the Port Moresby newspaper, THE POST COURIER, Mr. Diro said he upheld the principle of innocence and to have proven guilty adding that he would be proved innocent.

The public prosecuter, Mr. (Kino Bono), has to decide whether to proceed with charges against Mr. Diro under the country's Leadership Code on the allegations, arriving from a commission of inquiry into the forest industry.

In his letter, Mr. Diro said he was only aware of 23 allegations arising from the inquiry. He said the ombudsman commission asked him to respond to some 20 allegations by 5 November last year, but because of the burden of official duties he had requested extra time to reply. He said the extension of time was denied.

Mr. Diro said he would vigorously contest the allegations against him when the opportunity arose.

Solomon Islands

Warrant To Arrest Prime Minister on Civil Case

BK2503073091 Melbourne Overseas Service in English 0500 GMT 25 Mar 91

[Text] The Solomon Islands' chief magistrate has issued a warrant for the arrest of the prime minister, Mr. Solomon Mamaloni after he failed to appear in court in the capital Honiara. Mr. Mamaloni and two other share holders of a fiber glass company had been summoned to appear by the National Provident Fund over their alledged failure to pay employee contributions to the fund.

After the three men failed to appear, warrants for their arrest were issued by the chief magistrate, Mr. (Michael Lodd). The decision to issue the warrants followed a request from a representative of the provident fund. A Radio Australia correspondent in Honiara says the warrant, which carries a bail amount of $250 [currency not further specified], requires Mr. Mamaloni to appear in court on 2 April.

Our correspondent says the case by the National Provident Fund is understood to involve about $400 in outstanding employer contributions from the Fortune Fiber Glass Company in Honiara.

Prime Minister Reacts 'Angrily'

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[Text] The prime minister of Solomon Islands, Mr. Solomon Mamaloni, has reacted angrily to the issuing of a warrant for his arrest over his failure to answer summons to appear in court. The warrant was issued yesterday by the Solomon' chief magistrate, Mr. (Michael Lodd), after Mr Mamaloni failed to appear on charges of not paying national provident fund contributions.

The contributions related to employees of the Fortune Fiberglass Company, of which Mr Mamaloni is a partner. The warrant was also issued for two other men connected with the case after they failed to appear.

Mr. Mamaloni has said he has been unfairly singled out and the facts of the matter have been deliberately distorted. He said that a report about the arrest warrant by the Solomon Islands' Broadcasting Commission constituted an apparent attempt to destroy his leadership image. He said the broadcasting commission had failed to report that his position as prime minister precluded him from direct involvement in the activities of the company.

The prime minister said the arrears to the provident fund had been incurred by a previous managing director of the company who was dismissed in July last year for embezzling funds. Mr. Mamaloni said he was very suspicious that the national provident fund had decided to act against the Fortune Fiberglass Company when much larger arrears were owed by other companies.